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### **BULLETIN 06-03**

**To: Health Maintenance Organizations Participating in the Small Group Market**

**Re: Changes to the Comprehensive Standard Health Benefit Plan for July 1, 2006**

**Date: March 13, 2006**

The purpose of this bulletin is to notify Health Maintenance Organizations participating in the Maryland small group market of amendments to **COMAR 31.11.06 Comprehensive Standard Health Benefit Plan**. The proposed amendments to the regulations were published in the Maryland Register on January 20, 2006 and are expected to be finalized as originally published, with an effective date of July 1, 2006. In accordance with COMAR 31.11.06.12, the amended regulations apply to small group contracts that are issued or renewed on or after July 1, 2006.

The following is a summary of the amendments to COMAR 31.11.06 that will require revisions to your contracts/certificates and corresponding rate filings. To ensure approval by July 1, 2006, the Maryland Insurance Administration must receive your filings by May 1, 2006. If you make the revisions to your small group contract by amendment rider, please specify in your accompanying letter the form number and approval date of the contract that the amendment rider is revising.

### **REVISIONS REQUIRED BY COMAR 31.11.06**

➤ **Inpatient Hospitalization:**

- The copayment for the standard plan has increased to \$1,000 per admission. See COMAR 31.11.06.04F(4)(a)(vi).

➤ **Prescription Drug Benefit:**

- The prescription drug benefit in COMAR 31.11.06.03A(26) is no longer limited to, “Generic prescription drugs, unless no generic drug is available,” but instead covers all prescription drugs.
- Revised Cost-sharing:
  - The prescription drug deductibles (COMAR 31.11.06.05H(1)) in the standard plan are:
    - Individual Coverage: \$2,500
    - Other than Individual Coverage: \$5,000 in the aggregate
  - The prescription drug coinsurance for the standard plan is 75 percent. (See COMAR 31.11.06.05H(3))
- An HMO may use a formulary for brand name drugs, on the condition that the contract is amended to include the coverage required by §15-831(d) of the Insurance Article. See COMAR 31.11.06.03E(1).

**NEW OPTION FOR HMO–HEALTH SAVINGS ACCOUNT (“HSA”) DELIVERY SYSTEM**

In addition to the standard HMO delivery system, HMOs may now offer an HMO-Health Savings Account (“HSA”)-compatible delivery system. See COMAR 31.11.06.05F(5). Key features of the HMO-HSA-compatible delivery system are:

- **Deductible:** With only two exceptions, there is a Combined Annual Deductible that applies to covered services, including the amended prescription drug coverage as follows:
  - For Individual Coverage: \$2,700
  - For Other than Individual Coverage: \$5,450 in the aggregate
  - Exceptions: The deductibles do *not* apply to:
    - Well-Child Care
    - Immunizations
- **Out-of-Pocket Maximums:** All covered services, including the revised prescription drug coverage, and Well-Child Care and Immunizations, are subject to the following Out-of-Pocket Maximums:
  - For Individual Coverage: \$5,250
  - For Other than Individual Coverage: \$10,500 in the aggregate

Copies of the amended regulations can be secured from the Division of State Documents website at [www.dsd.state.md.us](http://www.dsd.state.md.us). From the Division of State Documents home page, select Maryland Register and the January 20, 2006 issue (begins on page 175). Any questions about this bulletin or the amended regulations should be directed to Ellen Woodall, Director, Managed Care Unit, at (410) 468-2226.

R. Steven Orr  
Insurance Commissioner

By: \_\_\_\_\_  
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Associate Commissioner  
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