

# Understanding Maryland's Regulation of Health Insurance

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# Overview

- Fairness
  - Consumers
  - Providers
- Regulatory tools
- Applicability
- Health insurance market
- Federal health insurance reform
- Conclusion

# Fairness: consumers

- Financial strength
- Rate review
- Policy issuance/renewals
  - Standard policy provisions
  - Mandated benefits
- Appeals
  - Coverage decisions
  - Utilization review determinations
- Unfair trade practices

# Fairness: providers

- Credentialing
- Contracting
- Claims payment
  - Prompt pay
  - Retrospective denial
- Payment to nonparticipating providers

# Regulatory tools

- Financial regulation
  - Annual statement
  - Financial examinations
- Rate/form review
- Individual complaints
- Market regulation
  - Analysis
  - Investigation
  - Examination

# Applicability

- Contracts issued in the State
- Financial regulation
  - Domiciliary state lead regulator

# Health insurance market

- Type of health benefits
  - Insured
  - Self-funded
  - Federal employees
- Insured health benefits
  - \$5.9 billion in written premiums in 2008
  - Six holding companies accounted for 96 percent of all written premiums in 2008
  - One holding company accounted for over 50 percent of all written premiums in 2008

# Health insurance market continued

- Insured health benefits declining
  - 42.8 percent of the population under the age of 65 in 1998
  - 25.3 percent of the population under the age of 65 in 2008
- Self-funded/federal employees health benefits increasing
  - About half the population under age 65 (47.2 percent) have self-funded/federal employees health benefits

# Health insurance market continued

- State regulation of health insurance applicable to a declining percentage of the commercial market
- To continue to build on the strengths of state regulation, we need federal health insurance reform

# Federal health insurance reform

- Options for health insurance regulation
  - Federal enforcement
  - Federal/state partnership
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  - DOL and pre-service/post-service claims
  - A missed opportunity
- Federal/state partnership
  - HIPAA
  - Leveraged strengths of federal government/state government

# Conclusion

- Maryland has developed a range of tools to ensure consumers and providers treated fairly in the market
- Changes in the market have significantly diminished the impact of state regulation
- Federal health insurance reform based on a federal/state partnership gives Maryland the opportunity to fulfill the promise of state regulation