

Title 31
MARYLAND INSURANCE ADMINISTRATION

Subtitle 11 HEALTH INSURANCE—GROUP

31.11.14 Wellness Benefits Under Small Employer Health Benefit Plans

*Authority: Health-General Article, §19-108; Insurance Article, §§2-109, 15-1201, 15-1204(g), and 15-1207(a);
Annotated Code of Maryland*

Notice of Proposed Action

[08-102-P]

The Maryland Health Care Commission and the Maryland Insurance Administration propose to adopt new Regulations .01—.05 under a new chapter, **COMAR 31.11.14 Wellness Benefits Under Small Employer Health Benefit Plans**.

This action was considered by the MHCC at an open meeting held on February 21, 2008. Notice of the meeting was given through publication in the Maryland Register, under State Government Article, §10-506(c), Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to set forth the requirements of a wellness benefit offered by a carrier to a small employer, as recently mandated by Maryland's Working Families and Small Business Health Coverage Act of 2007. This chapter also specifies the components of the wellness benefits that include incentives or differential cost-sharing for employees based on their participation in wellness activities.

Comparison to Federal Standards

There is a corresponding federal standard to this proposed action, but the proposed action is not more restrictive or stringent.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Rex Cowdry, M.D., Executive Director, Maryland Health Care Commission, 4160 Patterson Avenue, Baltimore, MD, 21215, or call 410-764-3460, or email to rcowdry@mhcc.state.md.us, or fax to 410-358-8811. Comments will be accepted through May 12, 2008. A public hearing has not been scheduled.

Open Meeting

Final action on the proposal will be considered by the Commission during a public meeting to be held on June 19, 2008, at 1 p.m., at 4160 Patterson Ave., Baltimore, Maryland 21215.

.01 Purpose.

This chapter specifies the requirements for:

A. A wellness benefit offered by a carrier to a small employer under Insurance Article, Title 15, Subtitle 12, Annotated Code of Maryland;

B. Determining if a carrier is considered a prominent carrier; and

C. Carriers offering wellness benefits to small employers.

.02 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Carrier" has the meaning stated in Insurance Article, §15-1201, Annotated Code of Maryland.

(2) "Case management program" means a program that involves a collaborative process of assessment, planning, implementation, coordination, monitoring, and evaluation of the options and services required to meet an individual's health needs through communication and available resources to promote quality cost effective outcomes.

(3) "Disease management program" means a program of preventive, diagnostic, and therapeutic services for certain patients that are considered to be at risk.

(4) "Eligible employee" has the meaning stated in Insurance Article, §15-1201, Annotated Code of Maryland.

(5) "Health benefit plan" has the meaning stated in Insurance Article, §15-1201, Annotated Code of Maryland.

(6) "Health risk assessment" means a self-reported health questionnaire that:

(a) Asks a variety of personal questions about lifestyle and behavioral habits, such as physical activity level, eating habits, and stress; and

(b) Includes, but is not limited to, biometric measures and other health status information.

(7) "Preventive services" means the services required to be covered under the small employer standard plan, as described in COMAR 31.11.06.03A(9).

(8) "Prominent carrier" means a carrier that insures at least 10 percent of the total lives insured in the Maryland small group market.

(9) "Small employer" has the meaning stated in Insurance Article, §15-1201, Annotated Code of Maryland.

(10) "Standard plan" has the meaning stated in Insurance Article, §15-1201, Annotated Code of Maryland.

(11) "Wellness benefit" means a benefit offered as a rider to a health benefit plan that provides coverage for a program or activity that:

(a) Is designed to:

(i) Prevent or detect disease or illness;

(ii) Reduce or avoid poor clinical outcomes;

(iii) Prevent complications from medical conditions; or

(iv) Promote healthy behaviors and lifestyle choices; and

(b) Complies with the requirements set forth in Regulations .03 and .04 of this chapter.

(12) "Wellness program" has the meaning stated in Insurance Article, §15-1201, Annotated Code of Maryland.

.03 Components of a Wellness Benefit.

A. Each wellness benefit shall include:

(1) A health risk assessment that is:

(a) Available at no cost to all employees covered under the small employer's wellness benefit; and

(b) Completed by each employee on a voluntary basis;

(2) Written feedback to each employee who completes the health risk assessment, with recommendations for lowering risks identified in the completed health risk assessment; and

(3) A financial incentive to promote:

(a) Preventive care;

(b) Healthy behavior and lifestyle choices; or

(c) Participation in a disease management program or case management program.

B. The financial incentive described in §A(3) of this regulation may be in the form of:

(1) A direct reward of financial value given to the employee, such as a monetary reward or a gift card; or

(2) A reduction in the employee's copayments, coinsurance, or deductible that would otherwise be payable under the small employer's health benefit plan.

C. A carrier shall be considered to have satisfied the requirement of §A(3) of this regulation, if the wellness benefit offered by the carrier eliminates the deductible for preventive services only.

.04 General Requirements for Wellness Benefits Offered to Small Employers.

A. A wellness benefit offered to a small employer:

(1) Shall satisfy the requirements of an additional benefit found in COMAR 31.11.06.07; and

(2) May not violate any requirement regarding wellness programs as described in 45 CFR §146.121.

B. A wellness benefit may appear in an additional benefit rider as the only benefit in the rider, or it may be bundled with other benefits in an additional benefit rider.

.05 Requirement for Carriers to Offer a Wellness Benefit.

A. A prominent carrier shall offer a wellness benefit to a small employer for each health benefit plan offered in Maryland.

B. A carrier that is not a prominent carrier may offer a wellness benefit to a small employer for a health benefit plan offered in Maryland.

C. The determination of which carriers are prominent carriers shall be determined each calendar year, based on the market share that each carrier had of the Maryland small group market for the prior calendar year.

D. A carrier may not condition the sale of a wellness benefit to a small employer on participation of the eligible employees of the small employer in wellness programs or activities.

MARILYN MOON
Chairman
Maryland Health Care Commission

RALPH S. TYLER
Commissioner
Maryland Insurance Administration
