

HB 2564 A STAFF MEASURE SUMMARY

Carrier: Sen. Reynolds

Senate Committee On Health Care

Action Date: 04/29/25

Action: Do pass the A-Eng bill.

Vote: 5-0-0-0

Yeas: 5 - Campos, Hayden, Linthicum, Patterson, Reynolds

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 4/15, 4/29

WHAT THE MEASURE DOES:

The measure makes changes to the process used by the Department of Consumer and Business Services (DCBS) to review rates for health insurance plans.

Detailed Summary

- Gives DCBS Director authority to specify the form and manner of a consumer-friendly summary document to be submitted as part of a carrier's rate filing.
- Clarifies timelines for DCBS rate review orders.
- Clarifies process for reconsideration of rate review orders.
- Makes DCBS final orders subject to circuit court review.

ISSUES DISCUSSED:

- Transparency of health insurance rates.
- Public accessibility of carriers' rate filing documents.
- Definition of "consumer friendly."
- Consumer-approachable documents.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Each year, the Department of Consumer and Business Services' (DCBS) Division of Financial Regulation (DFR) reviews the proposed premium rates for health plans that comply with the Affordable Care Act (ACA) for small businesses and people who buy their own coverage rather than getting it through an employer.

The rate review process takes into account a three-year window:

- the year the plan takes effect,
- the year the rates are prepared, filed, and reviewed, and
- the most recent year of claims data that can be referenced.

According to DCBS, the 2024 rate review process resulted in lowering the premium requests of two of the eight companies that submitted rates for the small group market.

House Bill 2564 A makes changes to the process used by the Department of Consumer and Business Services to review rates for health insurance plans.