

SENATE FLOOR AMENDMENT

Second Reading

BY SENATOR Smallwood

1 Amend reengrossed bill, page 6, strike lines 4 through 10 and substitute:

2 "(10) "MEDICAL COST TREND" MEANS THE PROJECTED
3 PERCENTAGE INCREASE IN THE COST TO TREAT PATIENTS FROM ONE YEAR
4 TO THE NEXT, WHICH ESTIMATES THE PROJECTED INCREASE IN PER CAPITA
5 COSTS OF MEDICAL SERVICES."

6 Page 9, line 16, after "(5)" insert "(a)".

7 Page 9, after line 25 insert:

8 "(b) THE COMMISSIONER SHALL WORK WITH AN INDEPENDENT
9 THIRD-PARTY ACTUARIAL FIRM THAT IS RECOGNIZED AS A NONPARTISAN,
10 NATIONALLY OPERATING FIRM WITH EXPERTISE IN HEALTH-CARE
11 FINANCING AND THE ANALYSIS AND DEVELOPMENT OF HEALTH-CARE
12 RATES, PRICING, AND HEALTH PLAN PREMIUMS. THE INDEPENDENT
13 THIRD-PARTY ACTUARIAL FIRM SHALL DETERMINE FOR THE DIVISION THE
14 ANNUAL MEDICAL COST TREND FACTOR THAT CONSIDERS THE MEDICAL
15 CONSUMER PRICE INDEX AND ALSO REFLECTS THE PROJECTED PERCENTAGE
16 INCREASE IN THE COST TO TREAT PATIENTS FROM ONE YEAR TO THE NEXT
17 AS A RESULT OF CHANGES IN THE PRICE OF MEDICAL PRODUCTS AND
18 SERVICES AND PRESCRIPTION MEDICINES, AND THE CHANGES IN THE
19 NUMBER OF SERVICES USED AND THE PER CAPITA UTILIZATION. THE
20 MEDICAL COST TREND SHALL ESTIMATE THE PROJECTED INCREASE IN PER
21 CAPITA COSTS OF MEDICAL SERVICES AND PRESCRIPTION MEDICINE THAT
22 AFFECT PRICING AND ACTUARIAL SOUNDNESS OF COMMERCIAL INSURERS'
23 HEALTH BENEFIT PLAN PREMIUMS. THE INDEPENDENT THIRD-PARTY
24 ACTUARIAL FIRM SHALL PROVIDE AN ANNUAL REPORT TO THE DIVISION,
25 THE HEALTH AND INSURANCE COMMITTEE OF THE HOUSE OF
26 REPRESENTATIVES, AND THE HEALTH AND HUMAN SERVICE COMMITTEE OF
27 THE SENATE, OR THEIR SUCCESSOR COMMITTEES, AS EARLY AS
28 PRACTICABLE EACH YEAR SO THAT COMMERCIAL HEALTH BENEFIT PLANS
29 MAY CONSIDER THE REPORT IN THE DEVELOPMENT OF HEALTH BENEFIT
30 PLAN PREMIUMS THAT ARE SUBMITTED TO THE COMMISSION FOR
31 APPROVAL."

32 Strike "INFLATION" and substitute "COST TREND" on: **Page 10**, line 25;
33 **Page 11**, lines 14, 19, and 26; **Page 12**, lines 14, 20, and 27; and **Page 13**,
34 lines 15, 21, and 27.

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