

(a) On or before January 1, 2001, the Maryland Health Care Commission, in consultation with the Maryland Insurance Administration, health insurance carriers, small employers, insurance agents and insurance brokers, shall report, in accordance with § 2-1246 of the State Government Article, to the House Economic Matters Committee and the Senate Finance Committee on the effect of group size in the small group insurance market on the HMO and PPO delivery systems of each prominent carrier in the small group insurance market.

(b) In developing the report, the Maryland Health Care Commission shall specifically consider the effect of group size (including self-employed groups) in the small group insurance market on:

- (1) the extent of group coverage;
- (2) premium increases;
- (3) the number of covered lives;
- (4) the number of policies issued;
- (5) premiums earned; and
- (6) claims incurred.

(c) For purposes of the Maryland Health Care Commission report, "prominent insurance carrier" means a carrier that covers at least 5% of the total lives in the small group health insurance market or 10% of the total lives in any one delivery system.

(d) In addition to the report, the Maryland Health Care Commission shall, as part of its annual review of the Comprehensive Standard Health Benefit Plan, examine the feasibility and desirability of developing a high deductible health benefit plan for small employers.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Department of Budget and Management shall study the feasibility and cost and benefit to the State of creating tax incentives to:

- (1) assist individuals to purchase health insurance; and
- (2) assist in defraying the costs for employers to provide health insurance for their employees.

(b) In conducting the study, the Department of Budget and Management shall specifically consider:

- (1) tax credits for small employers with low income workers not currently offering or providing health insurance;
- (2) tax credits for small employers that are based on the number of employees, with greater tax incentives for smaller employers;