

4. Eastern and Southern Maryland.

(3) Rates for a health benefit plan may vary based on family composition as approved by the Commissioner.

(4) (I) A SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, AFTER APPLYING THE RISK ADJUSTMENT FACTORS UNDER PARAGRAPH (2) OF THIS SUBSECTION, A CARRIER MAY OFFER A DISCOUNTED RATE DISCOUNT NOT TO EXCEED 20% TO A SMALL EMPLOYER FOR ELIGIBLE EMPLOYEES OF THE SMALL EMPLOYER WHO:

(i) ARE NONSMOKERS; OR

(ii) PARTICIPATE PARTICIPATION IN A WELLNESS PROGRAM.

(II) A DISCOUNT OFFERED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE:

1. APPLIED TO REDUCE THE RATE OTHERWISE PAYABLE BY THE SMALL EMPLOYER;

2. ACTUARIALLY JUSTIFIED;

3. OFFERED UNIFORMLY TO ALL SMALL EMPLOYERS;

AND

4. APPROVED BY THE COMMISSIONER.

(b) A carrier shall apply all risk adjustment factors under subsection (a) of this section consistently with respect to all health benefit plans that are issued, delivered, or renewed in the State.

(c) (1) Based on the ~~adjustments~~ ~~ADJUSTMENT~~ allowed under subsection (a)(2) of this section, a carrier may charge a rate that is ~~40%~~ 50% above or 50% below the community rate.

(2) (I) ON OR BEFORE OCTOBER 1, 2007, THE COMMISSION SHALL ADOPT REGULATIONS THAT REQUIRE CARRIERS TO COLLECT AND REPORT TO THE COMMISSION DATA ON PARTICIPATION, BY RATE BAND, IN HEALTH BENEFIT PLANS ISSUED, DELIVERED, OR RENEWED UNDER THIS SUBTITLE.