

~~WITH IN NETWORK AND OUT OF NETWORK DEDUCTIBLES OR OUT OF POCKET MAXIMUMS THAT DIFFER FROM THE STANDARD PLAN IF:~~

~~(1) THE ARITHMETIC TOTAL OF THE IN NETWORK PLUS OUT OF NETWORK DEDUCTIBLE OR OUT OF POCKET MAXIMUMS IS GREATER THAN THE COMBINED IN NETWORK AND OUT OF NETWORK DEDUCTIBLE OR OUT OF POCKET MAXIMUMS OF THE STANDARD PLAN; AND~~

~~(2) THE VALUE OF THE HEALTH BENEFIT PLAN EXCEEDS THE VALUE OF THE STANDARD PLAN.~~

15-1205.

(a) (1) In establishing a community rate for a health benefit plan, a carrier shall use a rating methodology that is based on the experience of all risks covered by that health benefit plan without regard to health status or occupation or any other factor not specifically authorized under this subsection.

(2) A carrier may adjust the community rate only for:

(i) age; and

(ii) geography based on the following contiguous areas of the

State:

1. the Baltimore metropolitan area;
2. the District of Columbia metropolitan area;
3. Western Maryland; and
4. Eastern and Southern Maryland.

(3) Rates for a health benefit plan may vary based on family composition as 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) Based on the adjustments allowed under subsection (a)(2) of this section, a carrier may charge a rate that is 40% above or below the community rate.

(d) (1) A carrier shall base its rating methods and practices on commonly accepted actuarial assumptions and sound actuarial principles.