

HOUSE BILL 2

Unofficial Copy  
C3

2000 Regular Session  
(01r0949)

**ENROLLED BILL**

-- Economic Matters and Environmental Matters/Finance --

Introduced by ~~Delegates Taylor, Delegate Taylor, the Speaker~~  
(Administration), and Delegates Busch, Guns, Dewberry, Hurson,  
Arnick, Harrison, Hixson, Howard, Kopp, Menes, Montague, Rawlings,  
Rosenberg, and Vallario Vallario, W. Baker, Barkley, Bobo, Bohanan,  
Bozman, Bronrott, Brown, Cadden, Cane, Carlson, Clagett, Conroy,  
Conway, D'Amato, D. Davis, DeCarlo, Doory, Dypski, Finifter, Franchot,  
Frush, Fulton, Giannetti, Goldwater, Gordon, Griffith, Hammen,  
Healey, Hecht, Heller, Hill, Hubers, James, V. Jones, Kirk, Klausmeier,  
Krysiak, Love, Malone, Mandel, Marriott, McHale, Moe, Morhaim,  
Nathan-Pulliam, Oaks, Patterson, Pendergrass, Petzold, Pitkin,  
Proctor, Rosso, Rudolph, Sher, Sophocleus, Stern, Turner, Valderrama,  
Weir, and Zirkir Zirkir, and Benson

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER 16

1 AN ACT concerning

2 **Children's Maryland Health Program Programs Expansion Act of 2000**

3 FOR the purpose of expanding eligibility for the Children and Families Health Care  
4 Program to certain individuals under a private option plan; requiring that  
5 certain individuals enrolled in the Program receive health benefits through an  
6 employer-sponsored health benefit plan or a certain managed care organization;

1 establishing certain criteria for approval of a certain employer-sponsored health  
 2 benefit plan; providing that certain individuals enrolled in the Program receive  
 3 health benefits through certain managed care organizations; requiring the  
 4 Department of Health and Mental Hygiene to perform certain administrative  
 5 duties; requiring certain parents and guardians to pay a certain family  
 6 contribution; changing the name of the Children and Families Health Care  
 7 Program; providing that certain individuals are exempt from certain enrollment  
 8 restrictions; ~~authorizing the Department to disapprove a certain application if~~  
 9 ~~the applicant was covered by certain insurance that was voluntarily terminated~~  
 10 ~~within a certain time frame~~; specifying that certain benefits offered under a  
 11 certain employer-sponsored health benefit plan are subject to certain  
 12 requirements; specifying that certain carriers that offer certain benefits are  
 13 required to offer the benefits only to certain employers; *altering the income*  
 14 *threshold for pregnant women to receive certain benefits under the Medical*  
 15 *Assistance Program*; requiring the Department to submit a certain report to the  
 16 Governor and General Assembly on or before a certain date; making certain  
 17 stylistic and technical changes; providing for the effective dates of this Act;  
 18 defining certain terms; providing for a delayed effective ~~date~~ ~~date~~ ~~dates for~~  
 19 ~~portions of this Act~~; and generally relating to health insurance coverage for  
 20 children.

21 BY repealing

22 Article - Health - General  
 23 Section 15-301(e)  
 24 Annotated Code of Maryland  
 25 (1994 Replacement Volume and 1999 Supplement)

26 BY adding to

27 Article - Health - General  
 28 Section 15-301.1  
 29 Annotated Code of Maryland  
 30 (1994 Replacement Volume and 1999 Supplement)

31 BY repealing and reenacting, with amendments,

32 Article - Health - General  
 33 Section ~~15-101(f) and 15-301 through 15-304, inclusive~~, to be under the  
 34 amended subtitle "Subtitle 3. Maryland Children's Health Program"  
 35 Annotated Code of Maryland  
 36 (1994 Replacement Volume and 1999 Supplement)  
 37 (As enacted by Section 1 of this Act)

38 BY repealing and reenacting, with amendments,

39 Article - Health - General  
 40 Section 15-101(f), 15-103(a)(2), and 15-302 through 15-304  
 41 Annotated Code of Maryland

1 (1994 Replacement Volume and 1999 Supplement)

2 BY repealing and reenacting, without amendments,  
3 Article - Health - General  
4 Section 15-305  
5 Annotated Code of Maryland  
6 (1994 Replacement Volume and 1999 Supplement)

7 BY repealing and reenacting, with amendments,  
8 Article - Insurance  
9 Section 15-1208, 15-1213, 15-1406, and 27-220  
10 Annotated Code of Maryland  
11 (1997 Volume and 1999 Supplement)

12 ~~BY repealing and reenacting, with amendments,~~  
13 ~~Article - Health - General~~  
14 ~~Section 15-302(b)~~  
15 ~~Annotated Code of Maryland~~  
16 ~~(1994 Replacement Volume and 1999 Supplement)~~  
17 ~~(As enacted by Section 2 of this Act)~~

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Health - General**

21 15-301.

22 [(e) (1) In this subsection, "family contribution" means the portion of the  
23 premium cost paid by an eligible individual to enroll and participate in the Children  
24 and Families Health Care Program.

25 (2) On or before July 1, 2000 and in addition to any other requirements  
26 of this subtitle, as a requirement to enroll and maintain participation in the Children  
27 and Families Health Care Program, an individual's parent or guardian shall agree to  
28 pay an annual family contribution amount determined by the Department in  
29 accordance with paragraph (3) of this subsection.

30 (3) (i) For eligible individuals whose family income is at or above 185  
31 percent of the federal poverty level, the Department shall develop an annual family  
32 contribution amount payment system such that the cost of the family contribution is  
33 at least 1 percent of the annual family income but does not exceed 2 percent of the  
34 annual family income.

35 (ii) The Department shall determine by regulation the schedules  
36 and the method of collection for the family contribution amount under subparagraph  
37 (i) of this paragraph.

1 (iii) Before collecting a family contribution from any individual, the  
 2 Department shall provide the individual with notice of the requirements of the family  
 3 contribution amount and the options available to the individual to make premium  
 4 payments.]

5 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 6 read as follows:

7 **Article - Health - General**

8 15-101.

9 (f) "Managed care organization" means:

10 (1) A certified health maintenance organization that is authorized to  
 11 receive medical assistance prepaid capitation payments; or

12 (2) A corporation that:

13 (i) Is a managed care system that is authorized to receive medical  
 14 assistance prepaid capitation payments;

15 (ii) Enrolls only program recipients or individuals or families  
 16 served under the [Children and Families Health Care Program] MARYLAND  
 17 CHILDREN'S HEALTH PROGRAM; and

18 (iii) Is subject to the requirements of § 15-102.4 of this title.

19 15-103.

20 (a) (2) The Program:

21 (i) Subject to the limitations of the State budget, shall provide  
 22 comprehensive medical and other health care services for indigent individuals or  
 23 medically indigent individuals or both;

24 (ii) Shall provide, subject to the limitations of the State budget,  
 25 comprehensive medical and other health care services for all eligible pregnant women  
 26 whose family income is at or below [200] 250 percent of the poverty level, as permitted  
 27 by the federal law;

28 (iii) Shall provide, subject to the limitations of the State budget,  
 29 comprehensive medical and other health care services for all eligible children currently  
 30 under the age of 1 whose family income falls below 185 percent of the poverty level, as  
 31 permitted by federal law;

32 (iv) Shall provide, subject to the limitations of the State budget,  
 33 family planning services to women currently eligible for comprehensive medical care  
 34 and other health care under item (ii) of this paragraph for 5 years after the second  
 35 month following the month in which the woman delivers her child;



1 budget and any other requirements imposed by the State and as permitted by federal  
 2 law or waiver, comprehensive medical care and other health care services to an  
 3 individual who has a family income at or below [200] 300 percent of the federal  
 4 poverty [level] GUIDELINES and who is under the age of 19 years.

5 [(d)] (C) The [Children and Families Health Care Program] MARYLAND  
 6 CHILDREN'S HEALTH PROGRAM shall be administered ~~through~~:

7 (1) FOR INDIVIDUALS WHOSE FAMILY INCOME IS AT OR BELOW 200  
 8 PERCENT OF THE FEDERAL POVERTY GUIDELINES, THROUGH ~~{the} THE~~ program  
 9 under Subtitle 1 of this title requiring individuals to enroll in managed care  
 10 organizations; OR

11 (2) FOR ELIGIBLE INDIVIDUALS WHOSE FAMILY INCOME IS ABOVE  
 12 BETWEEN 200 PERCENT AND, BUT AT OR BELOW 300 PERCENT OF THE FEDERAL  
 13 POVERTY GUIDELINES, THROUGH THE MCHP PRIVATE OPTION PLAN UNDER §  
 14 15-301.1 OF THIS SUBTITLE.

15 [(e)] (1) ~~In this subsection, "family contribution" means the portion of the~~  
 16 ~~premium cost paid by an eligible individual to enroll and participate in the Children~~  
 17 ~~and Families Health Care Program.~~

18 (2) ~~On or before July 1, 2000 and in addition to any other requirements~~  
 19 ~~of this subtitle, as a requirement to enroll and maintain participation in the Children~~  
 20 ~~and Families Health Care Program, an individual's parent or guardian shall agree to~~  
 21 ~~pay an annual family contribution amount determined by the Department in~~  
 22 ~~accordance with paragraph (3) of this subsection.~~

23 (3) (i) ~~For eligible individuals whose family income is at or above 185~~  
 24 ~~percent of the federal poverty level, the Department shall develop an annual family~~  
 25 ~~contribution amount payment system such that the cost of the family contribution is~~  
 26 ~~at least 1 percent of the annual family income but does not exceed 2 percent of the~~  
 27 ~~annual family income.~~

28 (ii) ~~The Department shall determine by regulation the schedules~~  
 29 ~~and the method of collection for the family contribution amount under subparagraph~~  
 30 ~~(i) of this paragraph.~~

31 (iii) ~~Before collecting a family contribution from any individual, the~~  
 32 ~~Department shall provide the individual with notice of the requirements of the family~~  
 33 ~~contribution amount and the options available to the individual to make premium~~  
 34 ~~payments.]~~

35 15-301.1.

36 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
 37 INDICATED.

38 (2) "CARRIER" MEANS:

- 1 (I) AN INSURER;
- 2 (II) A NONPROFIT SERVICE PLAN;
- 3 (III) A HEALTH MAINTENANCE ORGANIZATION; OR
- 4 (IV) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS
- 5 SUBJECT TO REGULATION BY THE STATE.

6 (3) "ELIGIBLE INDIVIDUAL" MEANS AN INDIVIDUAL WHO QUALIFIES TO

7 PARTICIPATE IN THE MARYLAND CHILDREN'S HEALTH PROGRAM UNDER § 15-301(B)

8 OF THIS SUBTITLE AND WHOSE FAMILY INCOME IS ~~BETWEEN~~ ABOVE 200 PERCENT

9 ~~AND, BUT AT OR BELOW~~ 300 PERCENT OF THE FEDERAL POVERTY GUIDELINES.

10 (4) "FAMILY CONTRIBUTION" MEANS THE PORTION OF THE PREMIUM

11 COST PAID ~~BY~~ FOR AN ELIGIBLE INDIVIDUAL TO ENROLL AND PARTICIPATE IN THE

12 MARYLAND CHILDREN'S HEALTH PROGRAM.

13 (5) "MCHP PRIVATE OPTION PLAN" MEANS THE PLAN ESTABLISHED

14 UNDER THIS SECTION ~~FOR PROVIDING TO PROVIDE~~ ACCESS TO HEALTH INSURANCE

15 COVERAGE TO ELIGIBLE INDIVIDUALS THROUGH EMPLOYER-SPONSORED HEALTH

16 BENEFIT PLANS AND MANAGED CARE ORGANIZATIONS UNDER THE MARYLAND

17 CHILDREN'S HEALTH PROGRAM.

18 (B) THIS SECTION APPLIES ONLY TO INDIVIDUALS WHOSE FAMILY INCOME IS

19 ~~BETWEEN ABOVE~~ 200 PERCENT ~~AND, BUT AT OR BELOW~~ 300 PERCENT OF THE

20 FEDERAL POVERTY GUIDELINES.

21 (C) (1) AN ELIGIBLE INDIVIDUAL WHO IS ENROLLED IN THE MCHP PRIVATE

22 OPTION PLAN SHALL BE INSURED THROUGH AN EMPLOYER'S HEALTH BENEFIT

23 PLAN IF:

24 (I) THE EMPLOYER OFFERS FAMILY HEALTH INSURANCE

25 COVERAGE TO THE PARENT OR GUARDIAN OF AN ELIGIBLE INDIVIDUAL;

26 (II) THE EMPLOYER ELECTS TO PARTICIPATE IN THE MCHP

27 PRIVATE OPTION PLAN;

28 (III) THE PARENT OR GUARDIAN OF AN ELIGIBLE INDIVIDUAL IS

29 INSURED UNDER THE EMPLOYER-SPONSORED HEALTH BENEFIT PLAN;

30 (IV) THE EMPLOYER CONTRIBUTES TO FAMILY HEALTH INSURANCE

31 COVERAGE AT A RATE NO LESS THAN 50 PERCENT OF ANNUAL PREMIUMS;

32 (V) THE PLAN INCLUDES A BENEFIT PACKAGE THAT IS

33 DETERMINED BY THE DEPARTMENT TO BE AT LEAST EQUIVALENT TO THE

34 COMPREHENSIVE STANDARD HEALTH BENEFIT PLAN ESTABLISHED UNDER § 15-1207

35 OF THE INSURANCE ARTICLE; AND

1 (VI) THE PLAN DOES NOT IMPOSE COST SHARING REQUIREMENTS  
2 ON ELIGIBLE INDIVIDUALS.

3 (2) IF AN EMPLOYER-SPONSORED HEALTH BENEFIT PLAN THAT MEETS  
4 THE CRITERIA UNDER PARAGRAPH (1) OF THIS SUBSECTION IS NOT AVAILABLE TO  
5 THE ELIGIBLE INDIVIDUAL, THE ELIGIBLE INDIVIDUAL SHALL BE INSURED  
6 THROUGH A MANAGED CARE ORGANIZATION AS DEFINED IN § 15-101(F) OF THIS  
7 TITLE.

8 (D) THE DEPARTMENT SHALL FACILITATE COVERAGE OF ELIGIBLE  
9 INDIVIDUALS UNDER AN EMPLOYER-SPONSORED HEALTH BENEFIT PLAN BY:

10 (1) EVALUATING EMPLOYER-SPONSORED HEALTH BENEFIT PLANS TO  
11 DETERMINE WHETHER SPECIFIC PLANS MEET APPLICABLE STATE AND FEDERAL  
12 REQUIREMENTS;

13 (2) ASSISTING EMPLOYERS THAT WISH TO PARTICIPATE IN THE MCHP  
14 PRIVATE OPTION PLAN TO MEET THE ELIGIBILITY CRITERIA ESTABLISHED UNDER  
15 SUBSECTION (C) OF THIS SECTION;

16 (3) COLLECTING THE FAMILY CONTRIBUTION UNDER SUBSECTION (E)  
17 OF THIS SECTION;

18 (4) FORWARDING THE FAMILY CONTRIBUTION AND THE STATE'S  
19 PORTION OF THE PREMIUM DIRECTLY TO THE CARRIER; AND

20 (5) ASSISTING EMPLOYERS IN ENROLLING THE ELIGIBLE DEPENDENTS  
21 OF EMPLOYEES IN THE EMPLOYER-SPONSORED HEALTH BENEFIT PLAN.

22 (E) (1) AS A REQUIREMENT OF ENROLLMENT AND PARTICIPATION IN THE  
23 MCHP PRIVATE OPTION PLAN, THROUGH EITHER AN EMPLOYER-SPONSORED  
24 HEALTH BENEFIT PLAN OR A MANAGED CARE ORGANIZATION, THE PARENT OR  
25 GUARDIAN OF AN ELIGIBLE INDIVIDUAL SHALL AGREE TO PAY THE FOLLOWING  
26 ANNUAL FAMILY CONTRIBUTION:

27 ~~(1)~~ (I) FOR AN ELIGIBLE INDIVIDUAL WHOSE FAMILY INCOME IS  
28 ~~BETWEEN ABOVE 200 PERCENT AND, BUT AT OR BELOW~~ 250 PERCENT OF THE  
29 FEDERAL POVERTY GUIDELINES, AN AMOUNT EQUAL TO 2 PERCENT OF THE ANNUAL  
30 INCOME OF A FAMILY OF TWO AT 200 PERCENT OF THE FEDERAL POVERTY  
31 GUIDELINES; AND

32 ~~(2)~~ (II) FOR AN ELIGIBLE INDIVIDUAL WHOSE FAMILY INCOME IS  
33 ~~BETWEEN ABOVE 251 250 PERCENT AND, BUT AT OR BELOW~~ 300 PERCENT OF THE  
34 FEDERAL POVERTY GUIDELINES, AN AMOUNT EQUAL TO 2 PERCENT OF THE ANNUAL  
35 INCOME OF A FAMILY OF TWO AT 250 PERCENT OF THE FEDERAL POVERTY  
36 GUIDELINES.

37 (2) THE FAMILY CONTRIBUTION AMOUNTS REQUIRED UNDER  
38 PARAGRAPH (1) OF THIS SUBSECTION APPLY ON A PER FAMILY BASIS REGARDLESS

1 OF THE NUMBER OF ELIGIBLE INDIVIDUALS EACH FAMILY HAS ENROLLED IN THE  
 2 MCHP PRIVATE OPTION PLAN.

3 (F) THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO  
 4 IMPLEMENT THIS SECTION.

5 15-302.

6 (a) (1) The Department shall monitor applications to determine whether  
 7 employers and employees have voluntarily terminated coverage under an employer  
 8 sponsored health benefit plan that included dependent coverage in order to  
 9 participate in the [Children and Families Health Care Program] MARYLAND  
 10 CHILDREN'S HEALTH PROGRAM established under [§ 15-301] §§ 15-301 AND 15-301.1  
 11 of this subtitle.

12 (2) The Department, in particular, shall review applications of  
 13 individuals who qualified for Program benefits under the [Children and Families  
 14 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM established under  
 15 [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

16 (b) (1) An application may be disapproved if it is determined that an  
 17 individual under the age of 19 years to be covered under the [Children and Families  
 18 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM ~~established under~~  
 19 ~~[§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle,~~ for whom the application was  
 20 submitted, was covered by an employer sponsored health benefit plan with dependent  
 21 coverage which was voluntarily terminated ~~within~~

22 ~~(I) WITHIN 6 months preceding the date of the application OF AN~~  
 23 ~~INDIVIDUAL AT OR BELOW 200 PERCENT OF THE FEDERAL POVERTY GUIDELINES; OR~~

24 ~~(II) WITHIN 12 MONTHS PRECEDING THE DATE OF THE~~  
 25 ~~APPLICATION OF AN INDIVIDUAL ABOVE 200 PERCENT, BUT AT OR BELOW 300~~  
 26 ~~PERCENT OF THE FEDERAL POVERTY GUIDELINES.~~

27 (2) In determining whether an applicant has voluntarily terminated  
 28 coverage under an employer sponsored health benefit plan for purposes of paragraph  
 29 (1) of this subsection, a voluntary termination may not be construed to include:

30 (i) Loss of employment due to factors other than voluntary  
 31 termination;

32 (ii) Change to a new employer that does not provide an option for  
 33 dependent coverage;

34 (iii) Change of address so that no employer sponsored health benefit  
 35 plan is available;

36 (iv) Discontinuation of health benefits to all dependents of  
 37 employees of the applicant's employer; or

1 (v) Expiration of the applicant's continuation of coverage under the  
2 Consolidated Omnibus Budget Reconciliation Act (COBRA).

3 15-303.

4 (a) (1) The Department shall be responsible for enrolling program recipients  
5 ~~into~~ IN managed care organizations AND EMPLOYER-SPONSORED HEALTH BENEFIT  
6 PLANS under the [Children and Families Health Care Program] MARYLAND  
7 CHILDREN'S HEALTH PROGRAM established under [§ 15-301] §§ 15-301 AND 15-301.1  
8 of this subtitle.

9 (2) The Department may contract with an entity to perform any part or  
10 all of its enrollment responsibilities under paragraph (1) of this subsection.

11 (3) The Department or its enrollment contractor, to the extent feasible in  
12 its marketing, outreach, and enrollment programs, shall hire individuals receiving  
13 assistance under the Family Investment Program established under Article 88A of  
14 the Code.

15 (b) (1) To the extent allowed under federal law and regulations, the  
16 Secretary shall implement expedited eligibility for any individual who applies for the  
17 [Children and Families Health Care Program] MARYLAND CHILDREN'S HEALTH  
18 PROGRAM under [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

19 (2) The Secretary shall designate organizations that may:

20 (i) Assist individuals in the application process; and

21 (ii) Perform other outreach functions.

22 (3) In designating the organizations under paragraph (2) of this  
23 subsection, the Secretary shall ensure the inclusion of statewide and local  
24 organizations that provide services to children of all ages in each region of the State,  
25 and shall provide such organizations with:

26 (i) Forms that are necessary for parents, guardians, and other  
27 individuals to submit applications to the [Children and Families Health Care  
28 Program] MARYLAND CHILDREN'S HEALTH PROGRAM on behalf of a child; and

29 (ii) Information on how to assist parents, guardians, and other  
30 individuals in completing and filing such applications.

31 15-304.

32 (a) (1) For purposes of increasing the number of eligible individuals who  
33 enroll in the [Children and Families Health Care Program] MARYLAND CHILDREN'S  
34 HEALTH PROGRAM established under [§ 15-301] §§ 15-301 AND 15-301.1 of this  
35 subtitle, the Department shall develop and implement a school-based outreach  
36 program.

1 (2) As appropriate to carry out its responsibilities under paragraph (1) of  
2 this subsection, the Department may enter into contracts with county boards of  
3 education to provide information at public schools on the [Children and Families  
4 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM established under  
5 [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

6 (b) (1) For purposes of this subsection, "community-based organization"  
7 includes day care centers, schools, and school-based health clinics.

8 (2) In addition to the school-based outreach program established under  
9 subsection (a) of this section, the Department, in consultation with the Maryland  
10 Medicaid Advisory Committee established under § 15-103(b) of this title, shall  
11 develop mechanisms for outreach for the program with a special emphasis on  
12 identifying children who may be eligible for program benefits under the [Children  
13 and Families Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM  
14 established under [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

15 (3) From the mechanisms to be developed for outreach under paragraph  
16 (2) of this subsection, one mechanism shall include the development and  
17 dissemination of mail-in applications and appropriate outreach materials through  
18 community-based organizations, community-based providers, the Office of the State  
19 Comptroller, the Departments of Human Resources and Health and Mental Hygiene,  
20 county boards of education, and any other appropriate State agency or unit the  
21 Department considers appropriate.

22 15-305.

23 The purpose of the Health Care Foundation under this section is to:

24 (1) Develop programs to expand the availability of health insurance  
25 coverage to low-income, uninsured children;

26 (2) Involve the private health insurance market in the delivery of health  
27 insurance coverage to low-income, uninsured children in the State and their families;

28 (3) Identify and aggressively pursue a mix of State, federal, and private  
29 funds, including grants, to enable the Foundation to provide and fund health care  
30 insurance coverage;

31 (4) Develop methods to minimize the effect of employers or employees  
32 terminating employer sponsored health insurance or privately purchased health care  
33 insurance; and

34 (5) Coordinate its activities with the other necessary entities in order to  
35 address the health care needs of the low-income, uninsured children of the State and  
36 their families.

1

**Article - Insurance**

2 15-1208.

3 (a) (1) A carrier may not limit coverage under a health benefit plan for a  
4 preexisting condition.

5 (2) An exclusion of coverage for preexisting conditions may not be  
6 applied to health care services furnished for pregnancy or newborns.

7 (b) (1) This subsection does not apply to a late enrollee if:

8 (i) the individual requests enrollment within 30 days after  
9 becoming an eligible employee;

10 (ii) a court has ordered coverage to be provided for a spouse or  
11 minor child under a covered employee's health benefit plan; [or]

12 (iii) a request for enrollment is made within 30 days after the  
13 eligible employee's marriage or the birth or adoption of a child; OR

14 (IV) THE INDIVIDUAL OR A FAMILY MEMBER OF THE INDIVIDUAL  
15 WHO IS ELIGIBLE FOR ENROLLMENT UNDER § 15-301.1 OF THE HEALTH - GENERAL  
16 ARTICLE REQUESTS ENROLLMENT WITHIN 30 DAYS AFTER BECOMING ELIGIBLE.

17 (2) Notwithstanding subsection (a) of this section, a late enrollee may be  
18 subject to a 12-month preexisting condition provision or a waiting period until the  
19 next open enrollment period not to exceed a 12-month period.

20 (c) A EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A health  
21 benefit plan that does not use a preexisting condition provision may impose on  
22 enrollees:

23 (1) a waiting period not to exceed 90 days; or

24 (2) for 1 year, a surcharge not to exceed 1.5 times the community rate  
25 established in accordance with § 15-1205 of this subtitle.

26 (d) ~~For~~ EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, FOR a  
27 period not to exceed 6 months after the date an individual becomes an eligible  
28 employee, a health benefit plan may require deductibles and cost-sharing for benefits  
29 for a preexisting condition of the eligible employee in amounts not exceeding 1.5 times  
30 the amount of the standard deductibles and cost-sharing of other eligible employees  
31 if:

32 (1) the employee was not previously covered by a public or private plan  
33 of health insurance or another health benefit arrangement; and

34 (2) the employee was not previously employed by that employer.

1 (E) SUBSECTIONS (C) AND (D) OF THIS SECTION DO NOT APPLY TO AN  
 2 INDIVIDUAL OR A FAMILY MEMBER OF AN INDIVIDUAL WHO IS ELIGIBLE FOR  
 3 ENROLLMENT IN THE MCHP PRIVATE OPTION PLAN ESTABLISHED UNDER § 15-301.1  
 4 OF THE HEALTH - GENERAL ARTICLE AND IS A LATE ENROLLEE.

5 15-1213.

6 (a) This section does not apply to any insurance enumerated in §  
 7 15-1201(f)(3)(i) through (xiii) of this subtitle.

8 (b) Each benefit offered in addition to the Standard Plan that increases access  
 9 to care choices or lowers the cost-sharing arrangement in the Standard Plan is  
 10 subject to all of the provisions of this subtitle applicable to the Standard Plan,  
 11 including:

12 (1) guaranteed issuance;

13 (2) guaranteed renewal;

14 (3) adjusted community rating; and

15 (4) the prohibition on preexisting condition limitations.

16 (c) (1) Each benefit offered in addition to the Standard Plan that increases  
 17 the type of services available or the frequency of services is not subject to guaranteed  
 18 issuance but is subject to all other provisions of this subtitle applicable to the  
 19 Standard Plan, including:

20 (i) guaranteed renewal;

21 (ii) adjusted community rating; and

22 (iii) the prohibition on preexisting condition limitations.

23 (2) For each additional benefit offered under this subsection, a carrier  
 24 shall accept or reject the application of the entire group.

25 (3) The Commissioner may prohibit a carrier from offering an additional  
 26 benefit under this subsection if the Commissioner finds that the additional benefit  
 27 will be sold in conjunction with the Standard Plan in a manner designed to promote  
 28 risk selection or underwriting practices otherwise prohibited by this subtitle.

29 (D) (1) A BENEFIT OFFERED IN ADDITION TO THE STANDARD PLAN TO  
 30 LOWER THE COST-SHARING ARRANGEMENT IN THE STANDARD PLAN IN  
 31 ACCORDANCE WITH § 15-301.1 OF THE HEALTH - GENERAL ARTICLE IS SUBJECT TO:

32 (I) GUARANTEED ISSUANCE;

33 (II) GUARANTEED RENEWAL;

34 (III) ADJUSTED COMMUNITY RATING; AND

(IV) THE PROHIBITION ON PREEXISTING CONDITION LIMITATIONS.

(2) A CARRIER THAT OFFERS A BENEFIT UNDER THIS SUBSECTION SHALL BE REQUIRED TO GUARANTEE ISSUANCE AND GUARANTEE RENEWAL OF THE ADDITIONAL BENEFIT ONLY TO EMPLOYERS WHO ARE PARTICIPATING IN THE MCHP PRIVATE OPTION PLAN ESTABLISHED UNDER § 15-301.1 OF THE HEALTH - GENERAL ARTICLE.

15-1406.

(a) A carrier may not establish rules for eligibility of an individual to enroll under a group health benefits plan based on any health status-related factor.

(b) Subsection (a) of this section does not:

(1) require a carrier to provide particular benefits other than those provided under the terms of the particular health benefit plan; or

(2) prevent a carrier from establishing limitations or restrictions on the amount, level, extent, or nature of the benefits or coverage for similarly situated individuals enrolled in the health benefit plan.

(c) Rules for eligibility to enroll under a plan includes rules defining any applicable waiting periods for enrollment.

(d) A carrier shall allow an employee or dependent who is eligible, but not enrolled, for coverage under the terms of a group health benefits plan to enroll for coverage under the terms of the plan if:

(1) the employee or dependent was covered under an employer-sponsored plan or group health benefits plan at the time coverage was previously offered to the employee or dependent;

(2) the employee states in writing, at the time coverage was previously offered, that coverage under an employer-sponsored plan or group health benefits plan was the reason for declining enrollment, but only if the plan sponsor or issuer requires the statement and provides the employee with notice of the requirement; ~~and~~

(3) the employee's or dependent's coverage described in item (1) of this subsection:

(i) was under a COBRA continuation provision, and the coverage under that provision was exhausted; or

(ii) was not under a COBRA continuation provision, and either the coverage was terminated as a result of loss of eligibility for the coverage, including loss of eligibility as a result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment, or employer contributions towards the coverage were terminated; ~~AND~~



- 1                   (ii)        Change to a new employer that does not provide an option for  
2 dependent coverage;
- 3                   (iii)       Change of address so that no employer sponsored health benefit  
4 plan is available;
- 5                   (iv)        Discontinuation of health benefits to all dependents of  
6 employees of the applicant's employer; or
- 7                   (v)        Expiration of the applicant's continuation of coverage under the  
8 Consolidated Omnibus Budget Reconciliation Act (COBRA);

9        SECTION 4. 3. AND BE IT FURTHER ENACTED, That the publisher of the  
10 Annotated Code of Maryland, subject to the approval of the Department of Legislative  
11 Services, shall correct any references to the Children and Families Health Care  
12 Program throughout the Code that are rendered incorrect by this Act.

13        SECTION 4. AND BE IT FURTHER ENACTED, *That the Department of Health*  
14 *and Mental Hygiene shall report to the Governor and the General Assembly, in*  
15 *accordance with § 2-1246 of the State Government Article, on the implementation of*  
16 *the Maryland Children's Health Program Private Option Plan on or before December*  
17 *1, 2003.*

18        SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act  
19 shall take effect June 1, 2000.

20        SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act  
21 shall take effect July 1, 2003.

22        SECTION 2. 7. 6. AND BE IT FURTHER ENACTED, That, except as provided  
23 in Sections 5 and 6 Section 5 of this Act, this Act shall take effect July 1, 2001.