

SENATE BILL 388

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2002 Regular Session
2lr2206
CF 2lr2207

By: **Senator Bromwell**

Introduced and read first time: January 30, 2002

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: February 27, 2002

CHAPTER 23

1 AN ACT concerning

2 **Maryland Group Health Insurance Plan - Repeal**

3 FOR the purpose of repealing certain provisions that establish and provide for the
4 administration of the Maryland Group Health Insurance Plan; repealing a
5 requirement that the Secretary of Health and Mental Hygiene provide certain
6 notice regarding eligibility for the Plan to certain individuals in a certain
7 manner; and generally relating to the Maryland Group Health Insurance Plan.

8 BY repealing and reenacting, with amendments,
9 Article - Health - General
10 Section 4-217(f) and (g)
11 Annotated Code of Maryland
12 (2000 Replacement Volume and 2001 Supplement)

13 BY repealing
14 Article - Insurance
15 Section 14-301 through 14-307, inclusive, and the subtitle "Subtitle 3.
16 Maryland Group Health Insurance Plan"
17 Annotated Code of Maryland
18 (1997 Volume and 2001 Supplement)

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

1 **Article - Health - General**

2 4-217.

3 (f) [The Secretary shall include with every copy of a death certificate, in a
4 form prescribed by the Insurance Commissioner, a notice which advises that certain
5 individuals may be entitled to become members of the Maryland Group Health
6 Insurance Plan under Title 14, Subtitle 3 of the Insurance Article.

7 (g) A person may use a photocopy of a birth, death, fetal death, or marriage
8 certificate for any nonfraudulent and nondeceptive purpose.

9 **Article - Insurance**

10 [Subtitle 3. Maryland Group Health Insurance Plan.]

11 [14-301.

12 (a) In this subtitle the following words have the meanings indicated.

13 (b) "Group contract" means:

14 (1) a contract or policy that is issued or delivered in the State to an
15 employer by an insurer or nonprofit health service plan and that provides group
16 hospital, medical, or surgical benefits to employees of the employer on an
17 expense-incurred basis; or

18 (2) a contract between an employer and a health maintenance
19 organization certified under Title 19, Subtitle 7 of the Health - General Article that
20 provides group hospital, medical, or surgical benefits to employees of the employer.

21 (c) "Plan" means the Maryland Group Health Insurance Plan.

22 (d) "Qualified beneficiary" means:

23 (1) an individual who is divorced or widowed or a dependent child of an
24 individual who is divorced or widowed; or

25 (2) an individual whose employment is terminated or a spouse or
26 dependent child of an individual whose employment is terminated.]

27 [14-302.

28 There is a Maryland Group Health Insurance Plan administered by the
29 Commissioner.]

30 [14-303.

31 (a) The Plan shall provide hospital, medical, and surgical benefits on an
32 expense-incurred basis to an individual who is eligible for membership in the Plan

1 under subsection (b) of this section, elects to receive benefits, and pays the premium
2 established under the Plan.

3 (b) An individual is eligible for membership in the Plan if the individual is a
4 resident of the State and the individual:

5 (1) (i) is certified by the Secretary of Labor, Licensing, and Regulation
6 as unemployed under § 8-801 of the Labor and Employment Article;

7 (ii) is not entitled to benefits under Title XVIII of the Social
8 Security Act; and

9 (iii) is not eligible for hospital, medical, or surgical benefits under
10 an insured or self-insured group health benefit program, other than the Plan, that is
11 provided to a resident of the State by any person, including an employer, association,
12 insurer, nonprofit health service plan, or health maintenance organization, and is
13 written on an expense-incurred basis or is with a health maintenance organization;
14 or

15 (2) is a qualified beneficiary who would otherwise be entitled by reason
16 of this article to coverage under a group contract except for:

17 (i) the nonexistence of a group contract; or

18 (ii) the expiration of coverage under a group contract for the
19 qualified beneficiary, regardless of continued eligibility for coverage.]

20 [14-304.

21 Subject to the procedures established in Division II of the State Finance and
22 Procurement Article, the Commissioner shall choose an authorized insurer to
23 underwrite the Plan.]

24 [14-305.

25 (a) Subject to subsection (b) of this section, the Commissioner shall determine
26 all matters and specifications that relate to the Plan, including benefits, deductible
27 and copayment provisions, and rates of premiums.

28 (b) Premiums established under this subtitle shall be:

29 (1) adjusted annually on the basis of Plan experience;

30 (2) payable directly to the insurer that underwrites the Plan;

31 (3) payable as applicable on an individual or family basis; and

32 (4) sufficient in the aggregate to cover all Plan costs, including benefit
33 and administrative costs.]

1 [14-306.

2 Notice of the eligibility requirements and benefits available under this subtitle
3 shall be:

4 (1) published by the Commissioner at least once annually in the
5 Maryland Register and in a newspaper of general circulation in each county;

6 (2) provided by the Secretary of Health and Mental Hygiene as set forth
7 in § 4-217 of the Health - General Article; and

8 (3) provided by the Secretary of Labor, Licensing, and Regulation as set
9 forth in § 8-603 of the Labor and Employment Article.]

10 [14-307.

11 The State has no pecuniary liability under this subtitle.]

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 June 1, 2002.