



TESTIMONY FOR HB0936

Health Insurance – Cancellation and Nonrenewal of Coverage – Required Notice

Bill Sponsor: Delegate Shetty

Committee: Finance

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in strong support of HB0936 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Health insurers drop plans all the time, depending on how much money they are losing. For small businesses, this can really change the benefits for their employees and affect the businesses' profits. Additionally, the business must scramble to get employees signed up for a new plan. Employees will have little time to figure out what will work best for them.

Imagine if the business, or the employees don't get the notice. This bill will require that an insurance carrier that drops a health benefit plan send a notice 90 days before the plan is dropped by certified mail, return receipt requested, to both the employer and the employees. The notice would require that information on additional health benefit options, including COBRA, is included.

This seems like something a health insurer would do as a normal course of business, since they should understand the impact of a decision to cancel or not renew a plan. We strongly support this bill and recommend a **FAVORABLE** report in committee.