

HB0936_Health_Insurance_Cancellation_MLC_FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



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.

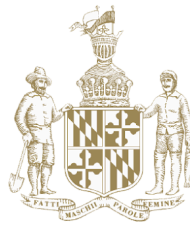
Imagine if the business, or the employees don't get the notice. This bill will require that an insurance carrier that drops a health benefit plan send a notice 90 days before the plan is dropped by certified mail, return receipt requested, to both the employer and the employees. The notice would require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

HB936 - Shetty Testimony.pdf

Uploaded by: Chloe Shumaker

Position: FAV



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB936

Health Insurance - Cancellation and Nonrenewal of Coverage - Required Notice

Chair Beidle, Vice Chair Hayes and esteemed members of the Finance Committee,

Thank you for the opportunity to provide testimony in support of House Bill 936, a bill that ensures that health insurance policyholders receive proper notice when their health plans are canceled or not renewed, as well as alternate options available to them. Under current law, individuals and organizations may not always receive adequate and timely notice, leading to gaps in coverage that can have serious consequences for their health and financial stability.

As introduced, HB936 addresses this problem by requiring insurers to send written notices of cancellation or nonrenewal via certified mail with return receipt requested, as well as electronically. These notices must also include information on alternative coverage options, including COBRA and plans available on the Maryland Health Benefits Exchange, ensuring that policyholders have the resources necessary to make informed decisions about their healthcare.

For many individuals, families, and small businesses or organizations, the unexpected loss of health coverage can be devastating. Without proper notice, policyholders may be barred from securing new coverage if they miss the small qualifying enrollment window, leading to disruptions in medical treatment, financial strain, and increased reliance on emergency services. Strengthening notification requirements will help reduce the risk of individuals unknowingly losing access to essential medical care and ensure that those affected have the time and information needed to seek alternative plans.

The complexity of insurance policies, coupled with administrative delays, makes it significantly more difficult for policyholders to respond quickly when coverage is lost. By implementing clear and consistent notification requirements, HB936 reinforces consumer protections and promotes accountability in health insurance practices.

HB936 passed unanimously in the House, and there is no opposition to this simple yet meaningful reform, which prioritizes transparency, prevents unnecessary hardship for Marylanders, and ensures that no one loses their healthcare coverage due to insufficient notice.

With that, I thank you for the committee's consideration of HB936, and I respectfully request a favorable report on this bill.

HB936 Cancellation and Nonrenewal Notice LOSWA (1)

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March 17, 2025

TO: The Honorable Pamela Beidle, Chair
Senate Finance Committee

FROM: Irnise F. Williams, Deputy Director, Health Education and Advocacy Unit

RE: House Bill 936- Health Insurance - Cancellation and Nonrenewal of Coverage -
Required Notice- **SUPPORT WITH AMENDMENTS**

The Health Education and Advocacy Unit supports with amendments House Bill 936. Under current law, when a small group health plan is cancelled or non-renewed, written notice must be provided to each enrollee. This bill would require that the notice be delivered in written format and electronically when authorized by the enrollee.

Requiring both mailed and electronic notice (when applicable) ensures that consumers are aware of coverage loss and will decrease the possibility that consumers will miss time-limited enrollment opportunities. Because disruptions in coverage can greatly impact consumers' treatments, prescriptions and other healthcare needs, we recommend that the bill requires carriers to send written notice using a first-class mail tracking method, as defined in Insurance § 1-101(m-1).

With this amendment, we urge a favorable report on House Bill 936.

HEAU AMENDMENTS

On page 2, line 19 after "action" INSERT "USING A FIRST-CLASS MAIL TRACKING METHOD AS DEFINED IN SECTION 1-101(M-1) OF THIS ARTICLE."