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**By: Senators Dorman and Trotter**

Introduced and read first time: February 2, 1996

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Small Group Market Reform - Small Employer - Public Entities**

3 FOR the purpose of altering the Maryland Health Care and Insurance Reform Act of  
4 1993 to specify that the Act does not include certain small employers that are public  
5 entities whose employees are covered under a certain other health benefit plan.

6 BY repealing and reenacting, without amendments,  
7 Article 48A - Insurance Code  
8 Section 698(a)  
9 Annotated Code of Maryland  
10 (1994 Replacement Volume and 1995 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article 48A - Insurance Code  
13 Section 698(q)  
14 Annotated Code of Maryland  
15 (1994 Replacement Volume and 1995 Supplement)  
16 (As enacted by Chapter 9, Section 2 of the Acts of the General Assembly of 1993)

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

19 **Article 48A - Insurance Code**

20 698.

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

22 (q) (1) "Small employer" means:

23 (i) Any person, sole proprietor, firm, corporation, partnership, or  
24 association actively engaged in business if:

25 1. On at least 50 percent of its working days during the  
26 preceding calendar year, employed at least two but no more than 50 eligible employees;  
27 and



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1 (1)(i) of this subsection, this subtitle shall apply to any employee group size that is  
2 excluded from that federal Act.

3                    [(5)] (6) In determining the number of eligible employees who meet the  
4 requirements under paragraph (1)(i) of this subsection, companies which are affiliated  
5 companies or which are eligible to file a consolidated federal income tax return shall be  
6 considered one employer.

7                    [(6)] (7) In determining the number of eligible employees who meet the  
8 requirements under paragraph (1)(i) of this subsection, an employee may not be counted  
9 who:

10                    (i) Is otherwise covered under a public or private health insurance  
11 plan or other health benefit arrangement; or

12                    (ii) Is a part-time employee.

13                    [(7)] (8) Notwithstanding the provisions of paragraph (1)(i) of this  
14 subsection, in otherwise satisfying the requirements of paragraph (1)(i) of this subsection,  
15 a small employer that did not exist during the preceding calendar year shall, during its  
16 first year, employ on at least 50 percent of its working days at least two but no more than  
17 50 eligible employees.

18                    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 1996.