
By: Delegate Donoghue

Introduced and read first time: January 15, 1997

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 25, 1997

CHAPTER ____

1 AN ACT concerning

2 **Health Insurance - Small Employer Groups - Health Benefit Plans**

3 FOR the purpose of making the Maryland Health Insurance Reform Act applicable to
4 health benefit plans issued through certain employee leasing organizations.

5 BY repealing and reenacting, with amendments,

6 Article - Insurance

7 Section 15-1201(f) and (m)

8 Annotated Code of Maryland

9 (1995 Volume and 1996 Supplement)

10 (As enacted by Chapter ____ (H.B. 11) of the Acts of the General Assembly of 1997)

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

13 **Article - Insurance**

14 15-1201.

15 (f) (1) "Health benefit plan" means:

16 (i) a policy or certificate for hospital or medical benefits;

17 (ii) a nonprofit health service plan; or

18 (iii) a health maintenance organization subscriber or group master
19 contract.

20 (2) "Health benefit plan" includes a policy or certificate for hospital or
21 medical benefits THAT COVERS RESIDENTS OF THIS STATE WHO ARE ELIGIBLE
22 EMPLOYEES AND that is issued through:

2

1 (I) a multiple employer trust or association located in this State or
2 another state [and that covers residents of this State who are eligible employees]; OR

3 (II) A PROFESSIONAL EMPLOYER ORGANIZATION, COEMPLOYER,
4 OR OTHER ORGANIZATION LOCATED IN THIS STATE OR ANOTHER STATE THAT
5 ENGAGES IN EMPLOYEE LEASING.

6 (3) "Health benefit plan" does not include:

7 (i) accident-only insurance;

8 (ii) fixed indemnity insurance;

9 (iii) credit health insurance;

10 (iv) Medicare supplement policies;

11 (v) Civilian Health and Medical Program of the Uniformed Services
12 (CHAMPUS) supplement policies;

13 (vi) long-term care insurance;

14 (vii) disability income insurance;

15 (viii) coverage issued as a supplement to liability insurance;

16 (ix) workers' compensation or similar insurance;

17 (x) disease-specific insurance;

18 (xi) automobile medical payment insurance;

19 (xii) dental insurance; or

20 (xiii) vision insurance.

21 (m) "Small employer" means:

22 (1) an employer described in § 15-1203 of this subtitle; OR

23 (2) AN ENTITY THAT LEASES EMPLOYEES FROM A PROFESSIONAL
24 EMPLOYER ORGANIZATION, COEMPLOYER, OR OTHER ORGANIZATION ENGAGED
25 IN EMPLOYEE LEASING AND THAT OTHERWISE MEETS THE DESCRIPTION OF §
26 15-1203 OF THIS SUBTITLE.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1997.

