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**By: Delegates Barve, Gordon, Genn, Dembrow, Petzold, Shriver, and Cryor**

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance Coverage for Individuals Under Guardianship**

3 FOR the purpose of establishing eligibility for coverage for health benefits for individuals  
4 for whom guardianship is granted to an insured under a court or testamentary  
5 appointment; making this Act applicable to health insurers, nonprofit health service  
6 plans, and health maintenance organizations; specifying when coverage is required  
7 for individuals under guardianship; authorizing certain requirements for proof of  
8 eligibility; and generally relating to coverage for health benefits for individuals  
9 under guardianship.

10 BY repealing and reenacting, with amendments,

11 Article - Insurance  
12 Section 15-401 and 15-402  
13 Annotated Code of Maryland  
14 (1995 Volume and 1996 Supplement)  
15 (As enacted by Chapter \_\_\_\_ (H.B. 11) of the Acts of the General Assembly of  
16 1997)

17 BY adding to

18 Article - Insurance  
19 Section 15-403.1  
20 Annotated Code of Maryland  
21 (1995 Volume and 1996 Supplement)  
22 (As enacted by Chapter \_\_\_\_ (H.B. 11) of the Acts of the General Assembly of  
23 1997)

24 BY repealing and reenacting, with amendments,

25 Article - Health - General  
26 Section 19-706(h)  
27 Annotated Code of Maryland  
28 (1996 Replacement Volume and 1996 Supplement)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

30 MARYLAND, That the Laws of Maryland read as follows:

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1 **Article - Insurance**

2 15-401.

3 (a) In this section, "date of adoption" means the earlier of:

4 (1) a judicial decree of adoption; or

5 (2) the assumption of custody, pending adoption, of a prospective adoptive  
6 child by a prospective adoptive parent.

7 (b) (1) This subsection applies to:

8 (i) each individual health insurance policy that:

9 1. is delivered, issued for delivery, or renewed in the State;

10 2. provides coverage on an expense-incurred basis; and

11 3. provides coverage for a family member of the insured;

12 (ii) each group health insurance policy, including a contract issued by  
13 a nonprofit health service plan, that:

14 1. is delivered, issued for delivery, or renewed in the State;

15 2. provides coverage on an expense-incurred basis for  
16 employees of an employer or employers or members of a union or unions; and

17 3. provides coverage for a family member of a covered  
18 employee or member; and

19 (iii) each individual service or indemnity contract that:

20 1. is delivered, issued for delivery, or renewed in the State by a  
21 nonprofit health service plan; and

22 2. provides coverage for a family member of the subscriber.

23 (2) Each policy or contract subject to this subsection shall provide that the  
24 health insurance benefits applicable:

25 (I) for children or grandchildren shall be payable for a newly born or  
26 newly adopted dependent child or grandchild from the moment of birth or date of  
27 adoption of the child or grandchild; AND

28 (II) FOR A MINOR FOR WHOM GUARDIANSHIP IS GRANTED BY  
29 COURT OR TESTAMENTARY APPOINTMENT SHALL BE PAYABLE FROM THE DATE OF  
30 APPOINTMENT.

31 (c) On request, an insurer or nonprofit health service plan that issues an  
32 individual or group health insurance policy that provides coverage on an  
33 expense-incurred basis shall offer family members' coverage to an insured or subscriber  
34 regardless of the marital status of the insured or subscriber.

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1 (d) Each insurer or nonprofit health service plan that issues a policy that does not  
2 provide family members' coverage shall:

3 (1) provide notice to the policyholder that coverage for a newly born or  
4 newly adopted child or grandchild OR A MINOR FOR WHOM GUARDIANSHIP IS  
5 GRANTED BY COURT OR TESTAMENTARY APPOINTMENT is not provided under the  
6 policy; and

7 (2) inform the insured of the right and conditions to purchase family  
8 members' coverage under this section.

9 (e) To be eligible for coverage under this section, a grandchild must be a  
10 dependent, and in the court-ordered custody, of the insured AND A MINOR FOR WHOM  
11 GUARDIANSHIP IS GRANTED BY COURT OR TESTAMENTARY APPOINTMENT MUST  
12 BE A DEPENDENT AND IN THE CUSTODY OF THE INSURED.

13 (f) Coverage for a newly born or newly adopted child or grandchild OR A MINOR  
14 FOR WHOM GUARDIANSHIP IS GRANTED BY COURT OR TESTAMENTARY  
15 APPOINTMENT shall consist of coverage for injury or sickness, including the necessary  
16 care and treatment of medically diagnosed congenital defects and birth abnormalities.

17 (g) If payment of a specific premium or subscription fee is required to provide  
18 coverage for a child or grandchild OR A MINOR FOR WHOM GUARDIANSHIP IS  
19 GRANTED BY COURT OR TESTAMENTARY APPOINTMENT, the policy or contract may  
20 require notification of a birth [or adoption], ADOPTION, OR APPOINTMENT and  
21 payment of the required premium or fee to the insurer or nonprofit health service plan  
22 within 31 days after the date of [birth or date of adoption] BIRTH, DATE OF ADOPTION,  
23 OR DATE OF COURT OR TESTAMENTARY APPOINTMENT in order to continue coverage  
24 beyond the 31-day period.

25 (h) (1) An insurer or nonprofit health service plan may require proof that the  
26 insured or subscriber is the parent or grandparent of a newly born or newly adopted child  
27 or grandchild OR GUARDIAN OF A MINOR UNDER COURT OR TESTAMENTARY  
28 APPOINTMENT.

29 (2) If the insurer or nonprofit health service plan requires proof under this  
30 subsection, the insurer or nonprofit health service plan shall pay the cost of the proof.

31 15-402.

32 (a) This section applies to:

33 (1) each individual or group health insurance policy that is issued in the  
34 State; and

35 (2) each contract that is issued in the State by a nonprofit health service  
36 plan.

37 (b) (1) Notwithstanding any limiting age stated in a policy or contract subject to  
38 this section, a child [or grandchild], GRANDCHILD, OR INDIVIDUAL FOR WHOM  
39 GUARDIANSHIP IS GRANTED BY COURT OR TESTAMENTARY APPOINTMENT shall  
40 continue to be covered under the policy or contract as a dependent of an employee,

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1 member, or other covered individual if the child [or grandchild], GRANDCHILD, OR  
2 INDIVIDUAL UNDER GUARDIANSHIP:

3 (i) is unmarried;

4 (ii) is chiefly dependent for support on the employee, member, or  
5 other covered individual; and

6 (iii) at the time of reaching the limiting age, is incapable of  
7 self-support because of mental or physical incapacity that started before the child [or  
8 grandchild], GRANDCHILD, OR INDIVIDUAL UNDER GUARDIANSHIP attained the  
9 limiting age.

10 (2) A child [or grandchild], GRANDCHILD, OR INDIVIDUAL UNDER  
11 GUARDIANSHIP who is covered under this section shall continue to be covered while  
12 remaining unmarried, dependent, and mentally or physically incapacitated until the  
13 coverage on the employee, member, or other covered individual on whom the child [or  
14 grandchild], GRANDCHILD, OR INDIVIDUAL UNDER GUARDIANSHIP is dependent  
15 terminates.

16 (c) To be eligible for coverage under this section, a grandchild must be a  
17 dependent, and in the court-ordered custody, of the employee, member, or other covered  
18 individual AND AN INDIVIDUAL FOR WHOM GUARDIANSHIP IS GRANTED BY COURT  
19 OR TESTAMENTARY APPOINTMENT MUST BE A DEPENDENT IN THE CUSTODY OF  
20 THE EMPLOYEE, MEMBER, OR OTHER COVERED INDIVIDUAL.

21 15-403.1.

22 (A) THIS SECTION APPLIES TO:

23 (1) EACH INDIVIDUAL HEALTH INSURANCE POLICY THAT:

24 (I) PROVIDES COVERAGE ON AN EXPENSE-INCURRED BASIS; AND

25 (II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE  
26 INSURED;

27 (2) EACH GROUP HEALTH INSURANCE POLICY THAT:

28 (I) PROVIDES COVERAGE ON AN EXPENSE-INCURRED BASIS FOR  
29 EMPLOYEES OF AN EMPLOYER OR EMPLOYERS OR MEMBERS OF A UNION OR  
30 UNIONS; AND

31 (II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF A COVERED  
32 EMPLOYEE OR MEMBER; AND

33 (3) EACH INDIVIDUAL SERVICE OR INDEMNITY CONTRACT THAT:

34 (I) IS ISSUED BY A NONPROFIT HEALTH SERVICE PLAN; AND

35 (II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE  
36 SUBSCRIBER.

37 (B) EACH POLICY OR CONTRACT SUBJECT TO THIS SECTION SHALL PROVIDE  
38 THAT THE SAME HEALTH INSURANCE BENEFITS AND ELIGIBILITY GUIDELINES

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1 THAT APPLY TO ANY COVERED DEPENDENT ARE AVAILABLE, ON REQUEST OF THE  
2 INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER, TO AN INDIVIDUAL WHO:

3 (1) IS UNMARRIED;

4 (2) IS UNDER TESTAMENTARY OR COURT APPOINTED GUARDIANSHIP  
5 OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER;

6 (3) RESIDES WITH THE INSURED, SUBSCRIBER, EMPLOYEE, OR  
7 MEMBER;

8 (4) IS THE DEPENDENT OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR  
9 MEMBER; AND

10 (5) HAS NOT ATTAINED THE LIMITING AGE UNDER THE TERMS OF THE  
11 POLICY OR CONTRACT.

12 (C) ON REQUEST, AN INSURER THAT ISSUES AN INDIVIDUAL OR GROUP  
13 HEALTH INSURANCE POLICY THAT PROVIDES COVERAGE ON AN  
14 EXPENSE-INCURRED BASIS OR A NONPROFIT HEALTH SERVICE PLAN SHALL OFFER  
15 FAMILY MEMBERS' COVERAGE TO AN INSURED OR SUBSCRIBER REGARDLESS OF  
16 THE MARITAL STATUS OF THE INSURED OR SUBSCRIBER.

17 (D) (1) AN INSURER OR NONPROFIT HEALTH SERVICE PLAN MAY REQUIRE  
18 PROOF THAT THE INSURED OR SUBSCRIBER IS A GUARDIAN UNDER COURT OR  
19 TESTAMENTARY APPOINTMENT.

20 (2) IF THE INSURER OR NONPROFIT HEALTH SERVICE PLAN REQUIRES  
21 PROOF UNDER THIS SUBSECTION, THE INSURER OR NONPROFIT HEALTH SERVICE  
22 PLAN SHALL PAY THE COST OF THE PROOF.

23 **Article - Health - General**

24 19-706.

25 (h) The provisions of [Article 48A, §§ 354A(a), 438A, and 490T of the Code] §§  
26 15-401, 15-402, 15-403, AND 15-403.1 OF THE INSURANCE ARTICLE shall apply to health  
27 maintenance organizations.

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