
By: Senator Dorman

Introduced and read first time: January 13, 1997

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 21, 1997

CHAPTER ____

1 AN ACT concerning

2 Health Insurance - Dependent Children and Grandchildren - Coverage Requirements

3 FOR the purpose of altering certain provisions of law to require that certain insurers and
4 nonprofit health service plans provide or continue coverage under certain health
5 insurance policies and contracts, ~~including policies and contracts issued to small~~
6 ~~employers~~, to certain dependent children and grandchildren under a certain age
7 who are full-time students attending institutions of higher education; requiring a
8 certain report; and providing for the effective date of this Act.

9 ~~BY renumbering~~

10 ~~Article - Insurance~~

11 ~~Section 15-1201(e) through (n), respectively~~

12 ~~to be Section 15-1201(g) through (p), respectively~~

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 1997)~~

16 BY repealing and reenacting, with amendments,

17 Article - Insurance

18 Section 8-428(a)

19 Annotated Code of Maryland

20 (1995 Volume and 1996 Supplement)

21 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

22 BY repealing and reenacting, with amendments,

23 Article - Insurance

24 Section 15-402 and 15-403(b)

2
1 Annotated Code of Maryland
2 (1995 Volume and 1996 Supplement)
3 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

4 ~~BY adding to~~
5 ~~Article - Insurance~~
6 ~~Section 15-1201(e) and (f)~~
7 ~~Annotated Code of Maryland~~
8 ~~(1995 Volume and 1996 Supplement)~~
9 ~~(As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)~~

10 ~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF~~
11 ~~MARYLAND, That Section(s) 15-1201(e) through (n), respectively, of Article -~~
12 ~~Insurance of the Annotated Code of Maryland (as enacted by Chapter _____ (H.B. 11) of~~
13 ~~the Acts of the General Assembly of Maryland of 1997) be renumbered to be Section(s)~~
14 ~~15-1201(g) through (p), respectively.~~

15 ~~SECTION 2. AND BE IT FURTHER ENACTED~~ SECTION 1. BE IT ENACTED
16 BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read
17 as follows:

18 **Article - Insurance**

19 8-428.

20 (a) (1) In this section, "eligible children" means:

21 ~~(1)~~ (1) children under the minimum age for adult membership but not
22 more than 18 years old at the time of application; OR

23 ~~(2)~~ (11) FOR THE PURPOSE OF RECEIVING HEALTH INSURANCE
24 BENEFITS ONLY, CHILDREN UNDER THE AGE OF ~~26~~ 24 YEARS AT THE TIME OF
25 APPLICATION WHO ARE FULL-TIME STUDENTS, TAKING A MINIMUM OF 12
26 UNDERGRADUATE CREDIT HOURS OR 9 GRADUATE CREDIT HOURS, ATTENDING AN
27 INSTITUTION OF HIGHER EDUCATION AND DEPENDENT ON THE MEMBER FOR
28 FINANCIAL SUPPORT.

29 (2) FOR THE PURPOSE OF RECEIVING HEALTH INSURANCE BENEFITS
30 ONLY, THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION MAY NOT BE
31 CONSTRUED TO PROHIBIT A SOCIETY FROM PROVIDING HEALTH INSURANCE
32 BENEFITS TO CHILDREN WHO SATISFY THE PROVISIONS OF PARAGRAPH (1) OF THIS
33 SUBSECTION AND ARE 24 YEARS OF AGE OR OLDER.

34 15-402.

35 (a) This section applies to:

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

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

3

1 (b) (1) Notwithstanding any limiting age stated in a policy or contract subject to
2 this section, a child or grandchild shall continue to be covered under the policy or
3 contract as a dependent of an employee, member, or other covered individual if the child
4 or grandchild:

5 (i) 1. is unmarried;

6 [(ii)] 2. is chiefly dependent for support on the employee, member,
7 or other covered individual; and

8 [(iii)] 3. at the time of reaching the limiting age, is incapable of
9 self-support because of mental or physical incapacity that started before the child or
10 grandchild attained the limiting age; OR

11 (II) 1. IS UNMARRIED;

12 2. IS UNDER THE AGE OF ~~26~~ 24 YEARS;

13 3. IS A FULL-TIME STUDENT, TAKING A MINIMUM OF 12
14 UNDERGRADUATE CREDIT HOURS OR 9 GRADUATE CREDIT HOURS, ATTENDING AN
15 INSTITUTION OF HIGHER EDUCATION; ~~AND~~

16 4. IS DEPENDENT ON THE EMPLOYEE, MEMBER, OR OTHER
17 COVERED INDIVIDUAL FOR FINANCIAL SUPPORT; AND

18 5. HAS MAINTAINED CONTINUOUS COVERAGE UNDER A
19 POLICY OR CONTRACT UNDER SUBSECTION (A) OF THIS SECTION.

20 (2) A child or grandchild who is covered under this section shall continue to
21 be covered UNTIL THE COVERAGE ON THE EMPLOYEE, MEMBER, OR OTHER
22 COVERED INDIVIDUAL ON WHOM THE CHILD OR GRANDCHILD IS DEPENDENT
23 TERMINATES while remaining:

24 (I) unmarried, dependent, and mentally or physically incapacitated
25 [until the coverage on the employee, member, or other covered individual on whom the
26 child or grandchild is dependent terminates]; OR

27 (II) UNMARRIED, DEPENDENT, UNDER THE AGE OF ~~26~~ 24 YEARS,
28 AND A FULL-TIME STUDENT AT AN INSTITUTION OF HIGHER EDUCATION.

29 (3) THE PROVISIONS OF PARAGRAPH (1)(II) OF THIS SUBSECTION MAY
30 NOT BE CONSTRUED TO PROHIBIT A POLICY OR CONTRACT SUBJECT TO THIS
31 SECTION FROM PROVIDING HEALTH INSURANCE BENEFITS TO A CHILD OR
32 GRANDCHILD WHO SATISFIES THE PROVISIONS OF PARAGRAPH (1)(II) OF THIS
33 SUBSECTION AND IS 24 YEARS OF AGE OR OLDER.

34 (c) To be eligible for coverage under this section, a grandchild must be a
35 dependent, and in the court-ordered custody, of the employee, member, or other covered
36 individual.

37 15-403.

38 (b) Each policy or contract subject to this section shall provide that the same
39 health insurance benefits and eligibility guidelines that apply to any covered dependent

4

1 are available, on request of the insured, subscriber, employee, or member, to a grandchild
2 who:

3 (1) is unmarried;

4 (2) is in the court-ordered custody of the insured, subscriber, employee, or
5 member;

6 (3) resides with the insured, subscriber, employee, or member;

7 (4) is the dependent of the insured, subscriber, employee, or member; and

8 (5) SUBJECT TO § 15-402 OF THIS SUBTITLE, has not attained the limiting
9 age under the terms of the policy or contract.

10 ~~45-1201.~~

11 ~~(E) (1) "DEPENDENT" MEANS AN ELIGIBLE EMPLOYEE'S:~~

12 ~~(I) LAWFUL SPOUSE; OR~~

13 ~~(II) DEPENDENT CHILD.~~

14 ~~(2) EXCEPT FOR A DEPENDENT WHO IS ELIGIBLE FOR, OR A RECIPIENT~~
15 ~~OF, MEDICAL ASSISTANCE, "DEPENDENT" DOES NOT INCLUDE AN INDIVIDUAL WHO~~
16 ~~IS COVERED UNDER A PUBLIC OR PRIVATE HEALTH BENEFIT PLAN OR OTHER~~
17 ~~HEALTH BENEFIT ARRANGEMENT.~~

18 ~~(F) "DEPENDENT CHILD" MEANS:~~

19 ~~(1) AN INDIVIDUAL WHO IS UNDER THE AGE OF 19 YEARS; OR~~

20 ~~(2) AN INDIVIDUAL WHO IS UNDER THE AGE OF 26 YEARS AND A~~
21 ~~FULL-TIME STUDENT ATTENDING AN INSTITUTION OF HIGHER EDUCATION.~~

22 SECTION 2. AND BE IT FURTHER ENACTED, That the Health Care Access
23 and Cost Commission shall study the cost impact of requiring in the Comprehensive
24 Standard Health Benefit Plan for the small group market the coverage provided under
25 Section 1 of this Act and shall report its recommendations to the Senate Finance
26 Committee and House Economic Matters Committee by November 1, 1997.

27 SECTION 3. AND BE IT FURTHER ENACTED, That, except for Section 2 of
28 this Act, this Act shall take effect October 1, 1997.

29 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
30 take effect June 1, 1997.

