

SENATE BILL 336

Unofficial Copy  
C3

1998 Regular Session  
8r2090  
CF HB 108

---

By: **Senator Dorman**

Introduced and read first time: February 5, 1998

Assigned to: Finance

---

Committee Report: Favorable

Senate action: Adopted

Read second time: March 4, 1998

---

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2                                   **Small Group Health Insurance Market - Professional Employer**  
3                                   **Organizations - Repeal of Termination Date**

4 FOR the purpose of repealing a certain termination date for a provision of law that  
5 makes the provisions of the Maryland Health Insurance Reform Act applicable  
6 to certain professional employer organizations.

7 BY repealing and reenacting, without amendments,  
8 Article - Insurance  
9 Section 15-1201(f) and (m) and 15-1212(a)  
10 Annotated Code of Maryland  
11 (1997 Volume)

12 BY repealing and reenacting, with amendments,  
13 Chapter 420 of the Acts of the General Assembly of 1997  
14 Section 3

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

17                                   **Article - Insurance**

18 15-1201.

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

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

- 1 (ii) a nonprofit health service plan; or  
2 (iii) a health maintenance organization subscriber or group master  
3 contract.

4 (2) "Health benefit plan" includes a policy or certificate for hospital or  
5 medical benefits that covers residents of this State who are eligible employees and  
6 that is issued through:

- 7 (i) a multiple employer trust or association located in this State or  
8 another state; or  
9 (ii) a professional employer organization, coemployer, or other  
10 organization located in this State or another state that engages in employee leasing.

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

- 12 (i) accident-only insurance;  
13 (ii) fixed indemnity insurance;  
14 (iii) credit health insurance;  
15 (iv) Medicare supplement policies;  
16 (v) Civilian Health and Medical Program of the Uniformed Services  
17 (CHAMPUS) supplement policies;  
18 (vi) long-term care insurance;  
19 (vii) disability income insurance;  
20 (viii) coverage issued as a supplement to liability insurance;  
21 (ix) workers' compensation or similar insurance;  
22 (x) disease-specific insurance;  
23 (xi) automobile medical payment insurance;  
24 (xii) dental insurance; or  
25 (xiii) vision insurance.

26 (m) "Small employer" means:

- 27 (1) an employer described in § 15-1203 of this subtitle; or  
28 (2) an entity that leases employees from a professional employer  
29 organization, coemployer, or other organization engaged in employee leasing and that  
30 otherwise meets the description of § 15-1203 of this subtitle.

1 15-1212.

2 (a) (1) Except as provided in subsections (b) and (c) of this section, a carrier  
3 shall renew a health benefit plan at the option of the small employer.

4 (2) On renewal, a carrier may not exclude eligible employees or  
5 dependents from a health benefit plan.

6 (3) (i) A carrier shall mail a notice of renewal to the small employer at  
7 least 30 days before the expiration of a health benefit plan.

8 (ii) The notice of renewal shall include the dates of the renewal  
9 period, the health benefit plan rates, and the terms of coverage under the health  
10 benefit plan.

11 (4) Policies or certificates for hospital or medical benefits issued through  
12 a professional employer organization, coemployer, or other organization under this  
13 subtitle may, with the consent of the carrier, have a common renewal date.

14

#### **Chapter 420 of the Acts of 1997**

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 1997. [It shall remain effective for a period of 1 year and, at the end of  
17 September 30, 1998, with no further action required by the General Assembly, this  
18 Act shall be abrogated and of no further force and effect.]

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 July 1, 1998.