

HOUSE BILL 2

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2000 Regular Session
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(PRE-FILED)

By: ~~Delegates Taylor, Delegate Taylor, the Speaker (Administration), and~~
~~Delegates Busch, Guns, Dewberry, Hurson, Arnick, Harrison, Hixson,~~
~~Howard, Kopp, Menes, Montague, Rawlings, Rosenberg, and Vallario~~
~~Vallario, W. Baker, Barkley, Bobo, Bohanan, Bozman, Bronrott, Brown,~~
~~Cadden, Cane, Carlson, Clagett, Conroy, Conway, D'Amato, D. Davis,~~
~~DeCarlo, Doory, Dypski, Finifter, Franchot, Frush, Fulton, Giannetti,~~
~~Goldwater, Gordon, Griffith, Hammen, Healey, Hecht, Heller, Hill,~~
~~Hubers, James, V. Jones, Kirk, Klausmeier, Krysiak, Love, Malone,~~
~~Mandel, Marriott, McHale, Moe, Morhaim, Nathan-Pulliam, Oaks,~~
~~Patterson, Pendergrass, Petzold, Pitkin, Proctor, Rosso, Rudolph, Sher,~~
~~Sophocleus, Stern, Turner, Valderrama, Weir, and Zirkin~~ Zirkin, and
Benson

Requested: November 15, 1999

Introduced and read first time: January 12, 2000

Assigned to: Economic Matters and Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 9, 2000

CHAPTER _____

1 AN ACT concerning

2 **Children's Health Program Expansion Act of 2000**

3 FOR the purpose of expanding eligibility for the Children and Families Health Care
4 Program to certain individuals under a private option plan; requiring that
5 certain individuals enrolled in the Program receive health benefits through an
6 employer-sponsored health benefit plan or a certain managed care organization;
7 establishing certain criteria for approval of a certain employer-sponsored health
8 benefit plan; providing that certain individuals enrolled in the Program receive
9 health benefits through certain managed care organizations; requiring the
10 Department of Health and Mental Hygiene to perform certain administrative
11 duties; requiring certain parents and guardians to pay a certain family
12 contribution; changing the name of the Children and Families Health Care
13 Program; providing that certain individuals are exempt from certain enrollment
14 restrictions; authorizing the Department to disapprove a certain application if
15 the applicant was covered by certain insurance that was voluntarily terminated
16 within a certain time frame; specifying that certain benefits offered under a

1 certain employer-sponsored health benefit plan are subject to certain
2 requirements; specifying that certain carriers that offer certain benefits are
3 required to offer the benefits only to certain employers; making certain stylistic
4 and technical changes; providing for the effective dates of this Act; defining
5 certain terms; providing for a delayed effective date dates for portions of this
6 Act; and generally relating to health insurance coverage for children.

7 BY repealing

8 Article - Health - General
9 Section 15-301(e)
10 Annotated Code of Maryland
11 (1994 Replacement Volume and 1999 Supplement)

12 BY adding to

13 Article - Health - General
14 Section 15-301.1
15 Annotated Code of Maryland
16 (1994 Replacement Volume and 1999 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article - Health - General
19 Section ~~15-101(f) and 15-301 through 15-304, inclusive,~~ to be under the
20 amended subtitle "Subtitle 3. Maryland Children's Health Program"
21 Annotated Code of Maryland
22 (1994 Replacement Volume and 1999 Supplement)
23 (As enacted by Section 1 of this Act)

24 BY repealing and reenacting, with amendments,

25 Article - Health - General
26 Section 15-101(f) and 15-302 through 15-304
27 Annotated Code of Maryland
28 (1994 Replacement Volume and 1999 Supplement)

29 BY repealing and reenacting, without amendments,

30 Article - Health - General
31 Section 15-305
32 Annotated Code of Maryland
33 (1994 Replacement Volume and 1999 Supplement)

34 BY repealing and reenacting, with amendments,

35 Article - Insurance
36 Section 15-1208, 15-1213, 15-1406, and 27-220
37 Annotated Code of Maryland
38 (1997 Volume and 1999 Supplement)

1 BY repealing and reenacting, with amendments,
2 Article - Health - General
3 Section 15-302(b)
4 Annotated Code of Maryland
5 (1994 Replacement Volume and 1999 Supplement)
6 (As enacted by Section 2 of this Act)

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

9 **Article - Health - General**

10 15-301.

11 [(e) (1) In this subsection, "family contribution" means the portion of the
12 premium cost paid by an eligible individual to enroll and participate in the Children
13 and Families Health Care Program.

14 (2) On or before July 1, 2000 and in addition to any other requirements
15 of this subtitle, as a requirement to enroll and maintain participation in the Children
16 and Families Health Care Program, an individual's parent or guardian shall agree to
17 pay an annual family contribution amount determined by the Department in
18 accordance with paragraph (3) of this subsection.

19 (3) (i) For eligible individuals whose family income is at or above 185
20 percent of the federal poverty level, the Department shall develop an annual family
21 contribution amount payment system such that the cost of the family contribution is
22 at least 1 percent of the annual family income but does not exceed 2 percent of the
23 annual family income.

24 (ii) The Department shall determine by regulation the schedules
25 and the method of collection for the family contribution amount under subparagraph
26 (i) of this paragraph.

27 (iii) Before collecting a family contribution from any individual, the
28 Department shall provide the individual with notice of the requirements of the family
29 contribution amount and the options available to the individual to make premium
30 payments.]

31 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
32 read as follows:

33 **Article - Health - General**

34 15-101.

35 (f) "Managed care organization" means:

1 (1) A certified health maintenance organization that is authorized to
2 receive medical assistance prepaid capitation payments; or

3 (2) A corporation that:

4 (i) Is a managed care system that is authorized to receive medical
5 assistance prepaid capitation payments;

6 (ii) Enrolls only program recipients or individuals or families
7 served under the [Children and Families Health Care Program] MARYLAND
8 CHILDREN'S HEALTH PROGRAM; and

9 (iii) Is subject to the requirements of § 15-102.4 of this title.

10 Subtitle 3. [Children and Families Health Care Program] MARYLAND CHILDREN'S
11 HEALTH PROGRAM.

12 15-301.

13 (a) [In this section, "carrier" means:

14 (1) An insurer;

15 (2) A nonprofit service plan;

16 (3) A health maintenance organization; or

17 (4) Any other person that provides health benefit plans subject to
18 regulation by the State.

19 (b)] There is a [Children and Families Health Care Program] MARYLAND
20 CHILDREN'S HEALTH PROGRAM.

21 [(c)] (B) The [Children and Families Health Care Program] MARYLAND
22 CHILDREN'S HEALTH PROGRAM shall provide, subject to the limitations of the State
23 budget and any other requirements imposed by the State and as permitted by federal
24 law or waiver, comprehensive medical care and other health care services to an
25 individual who has a family income at or below [200] 300 percent of the federal
26 poverty [level] GUIDELINES and who is under the age of 19 years.

27 [(d)] (C) The [Children and Families Health Care Program] MARYLAND
28 CHILDREN'S HEALTH PROGRAM shall be administered ~~through~~:

29 (1) FOR INDIVIDUALS WHOSE FAMILY INCOME IS AT OR BELOW 200
30 PERCENT OF THE FEDERAL POVERTY GUIDELINES, THROUGH ~~the~~ ~~THE~~ program
31 under Subtitle 1 of this title requiring individuals to enroll in managed care
32 organizations; OR

33 (2) FOR ELIGIBLE INDIVIDUALS WHOSE FAMILY INCOME IS BETWEEN
34 200 PERCENT AND, BUT AT OR BELOW 300 PERCENT OF THE FEDERAL POVERTY

1 GUIDELINES, THROUGH THE MCHP PRIVATE OPTION PLAN UNDER § 15-301.1 OF THIS
2 SUBTITLE.

3 ~~{(c) (1) In this subsection, "family contribution" means the portion of the~~
4 ~~premium cost paid by an eligible individual to enroll and participate in the Children~~
5 ~~and Families Health Care Program.~~

6 ~~(2) On or before July 1, 2000 and in addition to any other requirements~~
7 ~~of this subtitle, as a requirement to enroll and maintain participation in the Children~~
8 ~~and Families Health Care Program, an individual's parent or guardian shall agree to~~
9 ~~pay an annual family contribution amount determined by the Department in~~
10 ~~accordance with paragraph (3) of this subsection.~~

11 ~~(3) (i) For eligible individuals whose family income is at or above 185~~
12 ~~percent of the federal poverty level, the Department shall develop an annual family~~
13 ~~contribution amount payment system such that the cost of the family contribution is~~
14 ~~at least 1 percent of the annual family income but does not exceed 2 percent of the~~
15 ~~annual family income.~~

16 ~~(ii) The Department shall determine by regulation the schedules~~
17 ~~and the method of collection for the family contribution amount under subparagraph~~
18 ~~(i) of this paragraph.~~

19 ~~(iii) Before collecting a family contribution from any individual, the~~
20 ~~Department shall provide the individual with notice of the requirements of the family~~
21 ~~contribution amount and the options available to the individual to make premium~~
22 ~~payments.}~~

23 15-301.1.

24 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
25 INDICATED.

26 (2) "CARRIER" MEANS:

27 (I) AN INSURER;

28 (II) A NONPROFIT SERVICE PLAN;

29 (III) A HEALTH MAINTENANCE ORGANIZATION; OR

30 (IV) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS
31 SUBJECT TO REGULATION BY THE STATE.

32 (3) "ELIGIBLE INDIVIDUAL" MEANS AN INDIVIDUAL WHO QUALIFIES TO
33 PARTICIPATE IN THE MARYLAND CHILDREN'S HEALTH PROGRAM UNDER § 15-301(B)
34 OF THIS SUBTITLE AND WHOSE FAMILY INCOME IS ~~BETWEEN~~ ABOVE 200 PERCENT
35 ~~AND, BUT AT OR BELOW~~ 300 PERCENT OF THE FEDERAL POVERTY GUIDELINES.

1 (4) "FAMILY CONTRIBUTION" MEANS THE PORTION OF THE PREMIUM
2 COST PAID ~~BY~~ FOR AN ELIGIBLE INDIVIDUAL TO ENROLL AND PARTICIPATE IN THE
3 MARYLAND CHILDREN'S HEALTH PROGRAM.

4 (5) "MCHP PRIVATE OPTION PLAN" MEANS THE PLAN ESTABLISHED
5 UNDER THIS SECTION ~~FOR PROVIDING TO PROVIDE~~ ACCESS TO HEALTH INSURANCE
6 COVERAGE TO ELIGIBLE INDIVIDUALS THROUGH EMPLOYER-SPONSORED HEALTH
7 BENEFIT PLANS AND MANAGED CARE ORGANIZATIONS UNDER THE MARYLAND
8 CHILDREN'S HEALTH PROGRAM.

9 (B) THIS SECTION APPLIES ONLY TO INDIVIDUALS WHOSE FAMILY INCOME IS
10 ~~BETWEEN~~ ABOVE 200 PERCENT ~~AND, BUT AT OR BELOW~~ 300 PERCENT OF THE
11 FEDERAL POVERTY GUIDELINES.

12 (C) (1) AN ELIGIBLE INDIVIDUAL WHO IS ENROLLED IN THE MCHP PRIVATE
13 OPTION PLAN SHALL BE INSURED THROUGH AN EMPLOYER'S HEALTH BENEFIT
14 PLAN IF:

15 (I) THE EMPLOYER OFFERS FAMILY HEALTH INSURANCE
16 COVERAGE TO THE PARENT OR GUARDIAN OF AN ELIGIBLE INDIVIDUAL;

17 (II) THE EMPLOYER ELECTS TO PARTICIPATE IN THE MCHP
18 PRIVATE OPTION PLAN;

19 (III) THE PARENT OR GUARDIAN OF AN ELIGIBLE INDIVIDUAL IS
20 INSURED UNDER THE EMPLOYER-SPONSORED HEALTH BENEFIT PLAN;

21 (IV) THE EMPLOYER CONTRIBUTES TO FAMILY HEALTH INSURANCE
22 COVERAGE AT A RATE NO LESS THAN 50 PERCENT OF ANNUAL PREMIUMS;

23 (V) THE PLAN INCLUDES A BENEFIT PACKAGE THAT IS
24 DETERMINED BY THE DEPARTMENT TO BE AT LEAST EQUIVALENT TO THE
25 COMPREHENSIVE STANDARD HEALTH BENEFIT PLAN ESTABLISHED UNDER § 15-1207
26 OF THE INSURANCE ARTICLE; AND

27 (VI) THE PLAN DOES NOT IMPOSE COST SHARING REQUIREMENTS
28 ON ELIGIBLE INDIVIDUALS.

29 (2) IF AN EMPLOYER-SPONSORED HEALTH BENEFIT PLAN THAT MEETS
30 THE CRITERIA UNDER PARAGRAPH (1) OF THIS SUBSECTION IS NOT AVAILABLE TO
31 THE ELIGIBLE INDIVIDUAL, THE ELIGIBLE INDIVIDUAL SHALL BE INSURED
32 THROUGH A MANAGED CARE ORGANIZATION AS DEFINED IN § 15-101(F) OF THIS
33 TITLE.

34 (D) THE DEPARTMENT SHALL FACILITATE COVERAGE OF ELIGIBLE
35 INDIVIDUALS UNDER AN EMPLOYER-SPONSORED HEALTH BENEFIT PLAN BY:

36 (1) EVALUATING EMPLOYER-SPONSORED HEALTH BENEFIT PLANS TO
37 DETERMINE WHETHER SPECIFIC PLANS MEET APPLICABLE STATE AND FEDERAL
38 REQUIREMENTS;

1 (2) ASSISTING EMPLOYERS THAT WISH TO PARTICIPATE IN THE MCHP
2 PRIVATE OPTION PLAN TO MEET THE ELIGIBILITY CRITERIA ESTABLISHED UNDER
3 SUBSECTION (C) OF THIS SECTION;

4 (3) COLLECTING THE FAMILY CONTRIBUTION UNDER SUBSECTION (E)
5 OF THIS SECTION;

6 (4) FORWARDING THE FAMILY CONTRIBUTION AND THE STATE'S
7 PORTION OF THE PREMIUM DIRECTLY TO THE CARRIER; AND

8 (5) ASSISTING EMPLOYERS IN ENROLLING THE ELIGIBLE DEPENDENTS
9 OF EMPLOYEES IN THE EMPLOYER-SPONSORED HEALTH BENEFIT PLAN.

10 (E) (1) AS A REQUIREMENT OF ENROLLMENT AND PARTICIPATION IN THE
11 MCHP PRIVATE OPTION PLAN, THROUGH EITHER AN EMPLOYER-SPONSORED
12 HEALTH BENEFIT PLAN OR A MANAGED CARE ORGANIZATION, THE PARENT OR
13 GUARDIAN OF AN ELIGIBLE INDIVIDUAL SHALL AGREE TO PAY THE FOLLOWING
14 ANNUAL FAMILY CONTRIBUTION:

15 ~~(1)~~ (I) FOR AN ELIGIBLE INDIVIDUAL WHOSE FAMILY INCOME IS
16 ~~BETWEEN ABOVE 200 PERCENT AND, BUT AT OR BELOW 250 PERCENT~~ OF THE
17 FEDERAL POVERTY GUIDELINES, AN AMOUNT EQUAL TO 2 PERCENT OF THE ANNUAL
18 INCOME OF A FAMILY OF TWO AT 200 PERCENT OF THE FEDERAL POVERTY
19 GUIDELINES; AND

20 ~~(2)~~ (II) FOR AN ELIGIBLE INDIVIDUAL WHOSE FAMILY INCOME IS
21 ~~BETWEEN ABOVE 251-250 PERCENT AND, BUT AT OR BELOW 300 PERCENT~~ OF THE
22 FEDERAL POVERTY GUIDELINES, AN AMOUNT EQUAL TO 2 PERCENT OF THE ANNUAL
23 INCOME OF A FAMILY OF TWO AT 250 PERCENT OF THE FEDERAL POVERTY
24 GUIDELINES.

25 (2) THE FAMILY CONTRIBUTION AMOUNTS REQUIRED UNDER
26 PARAGRAPH (1) OF THIS SUBSECTION APPLY ON A PER FAMILY BASIS REGARDLESS
27 OF THE NUMBER OF ELIGIBLE INDIVIDUALS EACH FAMILY HAS ENROLLED IN THE
28 MCHP PRIVATE OPTION PLAN.

29 (F) THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO
30 IMPLEMENT THIS SECTION.

31 15-302.

32 (a) (1) The Department shall monitor applications to determine whether
33 employers and employees have voluntarily terminated coverage under an employer
34 sponsored health benefit plan that included dependent coverage in order to
35 participate in the [Children and Families Health Care Program] MARYLAND
36 CHILDREN'S HEALTH PROGRAM established under [§ 15-301] §§ 15-301 AND 15-301.1
37 of this subtitle.

38 (2) The Department, in particular, shall review applications of
39 individuals who qualified for Program benefits under the [Children and Families

1 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM established under
2 [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

3 (b) (1) An application may be disapproved if it is determined that an
4 individual under the age of 19 years to be covered under the [Children and Families
5 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM ~~established under~~
6 ~~[§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle,~~ for whom the application was
7 submitted, was covered by an employer sponsored health benefit plan with dependent
8 coverage which was voluntarily terminated ~~within~~:

9 (I) WITHIN 6 months preceding the date of the application OF AN
10 INDIVIDUAL AT OR BELOW 200 PERCENT OF THE FEDERAL POVERTY GUIDELINES; OR

11 (II) WITHIN 12 MONTHS PRECEDING THE DATE OF THE
12 APPLICATION OF AN INDIVIDUAL ABOVE 200 PERCENT, BUT AT OR BELOW 300
13 PERCENT OF THE FEDERAL POVERTY GUIDELINES.

14 (2) In determining whether an applicant has voluntarily terminated
15 coverage under an employer sponsored health benefit plan for purposes of paragraph
16 (1) of this subsection, a voluntary termination may not be construed to include:

17 (i) Loss of employment due to factors other than voluntary
18 termination;

19 (ii) Change to a new employer that does not provide an option for
20 dependent coverage;

21 (iii) Change of address so that no employer sponsored health benefit
22 plan is available;

23 (iv) Discontinuation of health benefits to all dependents of
24 employees of the applicant's employer; or

25 (v) Expiration of the applicant's continuation of coverage under the
26 Consolidated Omnibus Budget Reconciliation Act (COBRA).

27 15-303.

28 (a) (1) The Department shall be responsible for enrolling program recipients
29 ~~into~~ IN managed care organizations AND EMPLOYER-SPONSORED HEALTH BENEFIT
30 PLANS under the [Children and Families Health Care Program] MARYLAND
31 CHILDREN'S HEALTH PROGRAM established under [§ 15-301] §§ 15-301 AND 15-301.1
32 of this subtitle.

33 (2) The Department may contract with an entity to perform any part or
34 all of its enrollment responsibilities under paragraph (1) of this subsection.

35 (3) The Department or its enrollment contractor, to the extent feasible in
36 its marketing, outreach, and enrollment programs, shall hire individuals receiving

1 assistance under the Family Investment Program established under Article 88A of
2 the Code.

3 (b) (1) To the extent allowed under federal law and regulations, the
4 Secretary shall implement expedited eligibility for any individual who applies for the
5 [Children and Families Health Care Program] MARYLAND CHILDREN'S HEALTH
6 PROGRAM under [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

7 (2) The Secretary shall designate organizations that may:

8 (i) Assist individuals in the application process; and

9 (ii) Perform other outreach functions.

10 (3) In designating the organizations under paragraph (2) of this
11 subsection, the Secretary shall ensure the inclusion of statewide and local
12 organizations that provide services to children of all ages in each region of the State,
13 and shall provide such organizations with:

14 (i) Forms that are necessary for parents, guardians, and other
15 individuals to submit applications to the [Children and Families Health Care
16 Program] MARYLAND CHILDREN'S HEALTH PROGRAM on behalf of a child; and

17 (ii) Information on how to assist parents, guardians, and other
18 individuals in completing and filing such applications.

19 15-304.

20 (a) (1) For purposes of increasing the number of eligible individuals who
21 enroll in the [Children and Families Health Care Program] MARYLAND CHILDREN'S
22 HEALTH PROGRAM established under [§ 15-301] §§ 15-301 AND 15-301.1 of this
23 subtitle, the Department shall develop and implement a school-based outreach
24 program.

25 (2) As appropriate to carry out its responsibilities under paragraph (1) of
26 this subsection, the Department may enter into contracts with county boards of
27 education to provide information at public schools on the [Children and Families
28 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM established under
29 [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

30 (b) (1) For purposes of this subsection, "community-based organization"
31 includes day care centers, schools, and school-based health clinics.

32 (2) In addition to the school-based outreach program established under
33 subsection (a) of this section, the Department, in consultation with the Maryland
34 Medicaid Advisory Committee established under § 15-103(b) of this title, shall
35 develop mechanisms for outreach for the program with a special emphasis on
36 identifying children who may be eligible for program benefits under the [Children
37 and Families Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM
38 established under [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

1 (3) From the mechanisms to be developed for outreach under paragraph
2 (2) of this subsection, one mechanism shall include the development and
3 dissemination of mail-in applications and appropriate outreach materials through
4 community-based organizations, community-based providers, the Office of the State
5 Comptroller, the Departments of Human Resources and Health and Mental Hygiene,
6 county boards of education, and any other appropriate State agency or unit the
7 Department considers appropriate.

8 15-305.

9 The purpose of the Health Care Foundation under this section is to:

10 (1) Develop programs to expand the availability of health insurance
11 coverage to low-income, uninsured children;

12 (2) Involve the private health insurance market in the delivery of health
13 insurance coverage to low-income, uninsured children in the State and their families;

14 (3) Identify and aggressively pursue a mix of State, federal, and private
15 funds, including grants, to enable the Foundation to provide and fund health care
16 insurance coverage;

17 (4) Develop methods to minimize the effect of employers or employees
18 terminating employer sponsored health insurance or privately purchased health care
19 insurance; and

20 (5) Coordinate its activities with the other necessary entities in order to
21 address the health care needs of the low-income, uninsured children of the State and
22 their families.

23 **Article - Insurance**

24 15-1208.

25 (a) (1) A carrier may not limit coverage under a health benefit plan for a
26 preexisting condition.

27 (2) An exclusion of coverage for preexisting conditions may not be
28 applied to health care services furnished for pregnancy or newborns.

29 (b) (1) This subsection does not apply to a late enrollee if:

30 (i) the individual requests enrollment within 30 days after
31 becoming an eligible employee;

32 (ii) a court has ordered coverage to be provided for a spouse or
33 minor child under a covered employee's health benefit plan; [or]

34 (iii) a request for enrollment is made within 30 days after the
35 eligible employee's marriage or the birth or adoption of a child; OR

1 (IV) THE INDIVIDUAL OR A FAMILY MEMBER OF THE INDIVIDUAL
2 WHO IS ELIGIBLE FOR ENROLLMENT UNDER § 15-301.1 OF THE HEALTH - GENERAL
3 ARTICLE REQUESTS ENROLLMENT WITHIN 30 DAYS AFTER BECOMING ELIGIBLE.

4 (2) Notwithstanding subsection (a) of this section, a late enrollee may be
5 subject to a 12-month preexisting condition provision or a waiting period until the
6 next open enrollment period not to exceed a 12-month period.

7 (c) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A health
8 benefit plan that does not use a preexisting condition provision may impose on
9 enrollees:

10 (1) a waiting period not to exceed 90 days; or

11 (2) for 1 year, a surcharge not to exceed 1.5 times the community rate
12 established in accordance with § 15-1205 of this subtitle.

13 (d) ~~For~~ EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, FOR a
14 period not to exceed 6 months after the date an individual becomes an eligible
15 employee, a health benefit plan may require deductibles and cost-sharing for benefits
16 for a preexisting condition of the eligible employee in amounts not exceeding 1.5 times
17 the amount of the standard deductibles and cost-sharing of other eligible employees
18 if:

19 (1) the employee was not previously covered by a public or private plan
20 of health insurance or another health benefit arrangement; and

21 (2) the employee was not previously employed by that employer.

22 (E) SUBSECTIONS (C) AND (D) OF THIS SECTION DO NOT APPLY TO AN
23 INDIVIDUAL OR A FAMILY MEMBER OF AN INDIVIDUAL WHO IS ELIGIBLE FOR
24 ENROLLMENT IN THE MCHP PRIVATE OPTION PLAN ESTABLISHED UNDER § 15-301.1
25 OF THE HEALTH - GENERAL ARTICLE AND IS A LATE ENROLLEE.

26 15-1213.

27 (a) This section does not apply to any insurance enumerated in §
28 15-1201(f)(3)(i) through (xiii) of this subtitle.

29 (b) Each benefit offered in addition to the Standard Plan that increases access
30 to care choices or lowers the cost-sharing arrangement in the Standard Plan is
31 subject to all of the provisions of this subtitle applicable to the Standard Plan,
32 including:

33 (1) guaranteed issuance;

34 (2) guaranteed renewal;

35 (3) adjusted community rating; and

36 (4) the prohibition on preexisting condition limitations.

1 (c) (1) Each benefit offered in addition to the Standard Plan that increases
2 the type of services available or the frequency of services is not subject to guaranteed
3 issuance but is subject to all other provisions of this subtitle applicable to the
4 Standard Plan, including:

- 5 (i) guaranteed renewal;
6 (ii) adjusted community rating; and
7 (iii) the prohibition on preexisting condition limitations.

8 (2) For each additional benefit offered under this subsection, a carrier
9 shall accept or reject the application of the entire group.

10 (3) The Commissioner may prohibit a carrier from offering an additional
11 benefit under this subsection if the Commissioner finds that the additional benefit
12 will be sold in conjunction with the Standard Plan in a manner designed to promote
13 risk selection or underwriting practices otherwise prohibited by this subtitle.

14 (D) (1) A BENEFIT OFFERED IN ADDITION TO THE STANDARD PLAN TO
15 LOWER THE COST-SHARING ARRANGEMENT IN THE STANDARD PLAN IN
16 ACCORDANCE WITH § 15-301.1 OF THE HEALTH - GENERAL ARTICLE IS SUBJECT TO:

- 17 (I) GUARANTEED ISSUANCE;
18 (II) GUARANTEED RENEWAL;
19 (III) ADJUSTED COMMUNITY RATING; AND
20 (IV) THE PROHIBITION ON PREEXISTING CONDITION LIMITATIONS.

21 (2) A CARRIER THAT OFFERS A BENEFIT UNDER THIS SUBSECTION
22 SHALL BE REQUIRED TO GUARANTEE ISSUANCE AND GUARANTEE RENEWAL OF THE
23 ADDITIONAL BENEFIT ONLY TO EMPLOYERS WHO ARE PARTICIPATING IN THE MCHP
24 PRIVATE OPTION PLAN ESTABLISHED UNDER § 15-301.1 OF THE HEALTH - GENERAL
25 ARTICLE.

26 15-1406.

27 (a) A carrier may not establish rules for eligibility of an individual to enroll
28 under a group health benefits plan based on any health status-related factor.

29 (b) Subsection (a) of this section does not:

30 (1) require a carrier to provide particular benefits other than those
31 provided under the terms of the particular health benefit plan; or

32 (2) prevent a carrier from establishing limitations or restrictions on the
33 amount, level, extent, or nature of the benefits or coverage for similarly situated
34 individuals enrolled in the health benefit plan.

1 (c) Rules for eligibility to enroll under a plan includes rules defining any
2 applicable waiting periods for enrollment.

3 (d) A carrier shall allow an employee or dependent who is eligible, but not
4 enrolled, for coverage under the terms of a group health benefits plan to enroll for
5 coverage under the terms of the plan if:

6 (1) the employee or dependent was covered under an
7 employer-sponsored plan or group health benefits plan at the time coverage was
8 previously offered to the employee or dependent;

9 (2) the employee states in writing, at the time coverage was previously
10 offered, that coverage under an employer-sponsored plan or group health benefits
11 plan was the reason for declining enrollment, but only if the plan sponsor or issuer
12 requires the statement and provides the employee with notice of the requirement;
13 {and}

14 (3) the employee's or dependent's coverage described in item (1) of this
15 subsection:

16 (i) was under a COBRA continuation provision, and the coverage
17 under that provision was exhausted; or

18 (ii) was not under a COBRA continuation provision, and either the
19 coverage was terminated as a result of loss of eligibility for the coverage, including
20 loss of eligibility as a result of legal separation, divorce, death, termination of
21 employment, or reduction in the number of hours of employment, or employer
22 contributions towards the coverage were terminated; ~~AND~~

23 ~~(4) THE EMPLOYEE'S DEPENDENT IS ELIGIBLE FOR COVERAGE IN~~
24 ~~ACCORDANCE WITH § 15-301.1 OF THE HEALTH - GENERAL ARTICLE.~~

25 (E) A CARRIER SHALL ALLOW AN EMPLOYEE OR DEPENDENT WHO IS
26 ELIGIBLE, BUT NOT ENROLLED, FOR COVERAGE UNDER THE TERMS OF A GROUP
27 HEALTH BENEFIT PLAN TO ENROLL FOR COVERAGE UNDER THE TERMS OF THE
28 PLAN IF THE EMPLOYEE OR DEPENDENT REQUESTS ENROLLMENT WITHIN 30 DAYS
29 AFTER THE EMPLOYEE OR DEPENDENT IS DETERMINED TO BE ELIGIBLE FOR
30 COVERAGE UNDER THE MCHP PRIVATE OPTION PLAN IN ACCORDANCE WITH §
31 15-301.1 OF THE HEALTH - GENERAL ARTICLE.

32 27-220.

33 An agent, broker, or insurer may not refer an individual employee or dependent
34 of an employee to the [Children and Families Health Care Program] MARYLAND
35 CHILDREN'S HEALTH PROGRAM established under Title 15, Subtitle 3 of the Health -
36 General Article or arrange for an individual employee or dependent of an employee to
37 apply for the [Children and Families Health Care Program] MARYLAND CHILDREN'S
38 HEALTH PROGRAM established under Title 15, Subtitle 3 of the Health - General
39 Article if the agent, broker, or insurer has an economic interest in the referral or the
40 arrangement and the agent's, broker's, or insurer's sole purpose is to separate that

1 employee or that employee's dependent from group health insurance coverage
2 provided in connection with the employee's employment.

3 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
4 read as follows:

5 **Article - Health - General**

6 15-302.

7 (b) (1) An application may be disapproved if it is determined that an
8 individual under the age of 19 years to be covered under the Maryland Children's
9 Health Program, for whom the application was submitted, was covered by an
10 employer sponsored health benefit plan with dependent coverage which was
11 voluntarily terminated[:]

12 (i) within] WITHIN 6 months preceding the date of the application
13 [of an individual at or below 200 percent of the Federal Poverty Guidelines; or

14 (ii) within 12 months preceding the date of the application of an
15 individual above 200 percent, but at or below 300 percent of the Federal Poverty
16 Guidelines].

17 (2) In determining whether an applicant has voluntarily terminated
18 coverage under an employer sponsored health benefit plan for purposes of paragraph
19 (1) of this subsection, a voluntary termination may not be construed to include:

20 (i) Loss of employment due to factors other than voluntary
21 termination;

22 (ii) Change to a new employer that does not provide an option for
23 dependent coverage;

24 (iii) Change of address so that no employer sponsored health benefit
25 plan is available;

26 (iv) Discontinuation of health benefits to all dependents of
27 employees of the applicant's employer; or

28 (v) Expiration of the applicant's continuation of coverage under the
29 Consolidated Omnibus Budget Reconciliation Act (COBRA).

30 SECTION 4. AND BE IT FURTHER ENACTED, That the publisher of the
31 Annotated Code of Maryland, subject to the approval of the Department of Legislative
32 Services, shall correct any references to the Children and Families Health Care
33 Program throughout the Code that are rendered incorrect by this Act.

34 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act
35 shall take effect June 1, 2000.

1 SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act
2 shall take effect July 1, 2003.

3 ~~SECTION 2.~~ 7. AND BE IT FURTHER ENACTED, That, except as provided in
4 Sections 5 and 6 of this Act, this Act shall take effect July 1, 2001.