

HOUSE BILL 91

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2000 Regular Session  
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(PRE-FILED)

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By: **Chairman, Economic Matters Committee (Departmental - Insurance Administration, Maryland)**

Requested: November 15, 1999  
Introduced and read first time: January 12, 2000  
Assigned to: Economic Matters

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: February 15, 2000

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Health Insurance Portability and Accountability Act - Market**  
3 **Reforms**

4 FOR the purpose of establishing certain market reforms consistent with the  
5 provisions of the federal Health Insurance Portability and Accountability Act;  
6 repealing the provision allowing a certain health benefit plan that does not use  
7 a preexisting condition provision to impose a certain waiting period or surcharge  
8 on enrollees; requiring certain carriers to provide a special enrollment period;  
9 allowing certain employees and dependents to enroll for coverage during a  
10 special enrollment period under certain conditions; altering when a certain  
11 carrier may cancel or refuse to renew a certain health benefit plan; requiring  
12 certain notice to be sent when a certain carrier elects not to renew a certain  
13 health benefit plan; defining certain terms; altering certain terms; making  
14 stylistic changes; and generally relating to the Maryland Health Insurance  
15 Portability and Accountability Act.

16 BY repealing and reenacting, with amendments,  
17 Article - Insurance  
18 Section 15-1201, 15-1208, 15-1212, 15-1301(h), 15-1401(p), and 15-1406  
19 Annotated Code of Maryland  
20 (1997 Volume and 1999 Supplement)

21 BY adding to  
22 Article - Insurance  
23 Section 15-1208.1 and 15-1406.1

1 Annotated Code of Maryland  
2 (1997 Volume and 1999 Supplement)

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

5 **Article - Insurance**

6 15-1201.

7 (a) In this subtitle the following words have the meanings indicated.

8 (b) "Board" means the Board of Directors of the Pool established under §  
9 15-1216 of this subtitle.

10 (c) "Carrier" means a person that:

11 (1) offers health benefit plans in the State covering eligible employees of  
12 small employers; and

13 (2) is:

14 (i) an authorized insurer that provides health insurance in the  
15 State;

16 (ii) a nonprofit health service plan that is licensed to operate in the  
17 State;

18 (iii) a health maintenance organization that is licensed to operate in  
19 the State; or

20 (iv) any other person or organization that provides health benefit  
21 plans subject to State insurance regulation.

22 (d) "Commission" means the Maryland Health Care Commission established  
23 under Title 19, Subtitle 1 of the Health - General Article.

24 (e) (1) "Eligible employee" means:

25 (i) an individual who:

26 1. is an employee, sole proprietor, self-employed individual,  
27 partner of a partnership, or independent contractor who is included as an employee  
28 under a health benefit plan; and

29 2. works on a full-time basis and has a normal workweek of  
30 at least 30 hours; or

31 (ii) a sole employee of a nonprofit organization that has been  
32 determined by the Internal Revenue Service to be exempt from taxation under §  
33 501(c)(3), (4), or (6) of the Internal Revenue Code who:

- 1                                   1.       has a normal workweek of at least 20 hours; and  
2                                   2.       is not covered under a public or private plan for health  
3 insurance or other health benefit arrangement.

4                   (2)       "Eligible employee" does not include an individual who works:

- 5                                   (i)       on a temporary or substitute basis; or  
6                                   (ii)       except for an individual described in paragraph (1)(ii) of this  
7 subsection, for less than 30 hours in a normal workweek.

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

- 9                                   (i)       a policy or certificate for hospital or medical benefits;  
10                                  (ii)       a nonprofit health service plan; or  
11                                  (iii)       a health maintenance organization subscriber or group master  
12 contract.

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

- 16                                  (i)       a multiple employer trust or association located in this State or  
17 another state; or  
18                                  (ii)       a professional employer organization, coemployer, or other  
19 organization located in this State or another state that engages in employee leasing.

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

- 21                                  (i)       accident-only insurance;  
22                                  (ii)       fixed indemnity insurance;  
23                                  (iii)       credit health insurance;  
24                                  (iv)       Medicare supplement policies;  
25                                  (v)       Civilian Health and Medical Program of the Uniformed Services  
26 (CHAMPUS) supplement policies;  
27                                  (vi)       long-term care insurance;  
28                                  (vii)       disability income insurance;  
29                                  (viii)       coverage issued as a supplement to liability insurance;  
30                                  (ix)       workers' compensation or similar insurance;

- 1 (x) disease-specific insurance;
- 2 (xi) automobile medical payment insurance;
- 3 (xii) dental insurance; or
- 4 (xiii) vision insurance.

5 (G) "HEALTH STATUS-RELATED FACTOR" MEANS A FACTOR RELATED TO:

- 6 (1) HEALTH STATUS;
- 7 (2) MEDICAL CONDITION;
- 8 (3) CLAIMS EXPERIENCE;
- 9 (4) RECEIPT OF HEALTH CARE;
- 10 (5) MEDICAL HISTORY;
- 11 (6) GENETIC INFORMATION;
- 12 (7) EVIDENCE OF INSURABILITY INCLUDING CONDITIONS ARISING OUT
- 13 OF ACTS OF DOMESTIC VIOLENCE; OR
- 14 (8) DISABILITY.

15 [(g)] (H) "Late enrollee" means:

16 (1) an eligible employee or dependent who requests enrollment in a  
17 health benefit plan after the initial enrollment period provided under the health  
18 benefit plan; or

19 (2) a self-employed individual described in § 15-1203(c) or (d) of this  
20 subtitle or dependent who requests enrollment in a health benefit plan after an  
21 annual open enrollment period for self-employed individuals established by the  
22 carrier in accordance with regulations adopted by the Commissioner.

23 [(h)] (I) "Pool" means the Maryland Small Employer Health Reinsurance Pool  
24 established under this subtitle.

25 [(i)] (J) "Preexisting condition" means:

26 (1) a condition existing during a specified period immediately preceding  
27 the effective date of coverage, that would have caused an ordinarily prudent person to  
28 seek medical advice, diagnosis, care, or treatment; or

29 (2) a condition for which medical advice, diagnosis, care, or treatment  
30 was recommended or received during a specified period immediately preceding the  
31 effective date of coverage.

1     [(j)]     (K)     "Preexisting condition provision" means a provision in a health  
2 benefit plan that denies, excludes, or limits benefits for an enrollee for expenses or  
3 services related to a preexisting condition.

4     [(k)]     (L)     "Reinsuring carrier" means a carrier that participates in the Pool.

5     [(l)]     (M)     "Risk-assuming carrier" means a carrier that does not participate in  
6 the Pool.

7     [(m)]     (N)     "Small employer" means:

8             (1)     an employer described in § 15-1203 of this subtitle; or

9             (2)     an entity that leases employees from a professional employer  
10 organization, coemployer, or other organization engaged in employee leasing and that  
11 otherwise meets the description of § 15-1203 of this subtitle.

12     (O)     "SPECIAL ENROLLMENT PERIOD" MEANS A PERIOD DURING WHICH A  
13 GROUP HEALTH PLAN SHALL PERMIT CERTAIN INDIVIDUALS WHO ARE ELIGIBLE  
14 FOR COVERAGE, BUT NOT ENROLLED, TO ENROLL FOR COVERAGE UNDER THE  
15 TERMS OF THE GROUP HEALTH BENEFIT PLAN.

16     [(n)]     (P)     "Standard Plan" means the Comprehensive Standard Health Benefit  
17 Plan adopted by the Commission in accordance with § 15-1207 of this subtitle and  
18 Title 19, Subtitle 1 of the Health - General Article.

19 15-1208.

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

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

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

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

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

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

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

34     (c)     [A health benefit plan that does not use a preexisting condition provision  
35 may impose on enrollees:

- 1 (1) a waiting period not to exceed 90 days; or
- 2 (2) for 1 year, a surcharge not to exceed 1.5 times the community rate
- 3 established in accordance with § 15-1205 of this subtitle.

4 (d)] For a period not to exceed 6 months after the date an individual becomes

5 an eligible employee, a health benefit plan may require deductibles and cost-sharing

6 for benefits for a preexisting condition of the eligible employee in amounts not

7 exceeding 1.5 times the amount of the standard deductibles and cost-sharing of other

8 eligible employees if:

9 (1) the employee was not previously covered by a public or private plan

10 of health insurance or another health benefit arrangement; and

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

12 15-1208.1.

13 (A) A CARRIER SHALL PROVIDE THE SPECIAL ENROLLMENT PERIODS

14 DESCRIBED IN THIS SECTION IN EACH SMALL EMPLOYER HEALTH BENEFIT PLAN.

15 (B) IF THE SMALL EMPLOYER ELECTS UNDER § 15-1210(A)(III) OF THIS

16 SUBTITLE TO OFFER COVERAGE TO ALL OF ITS EMPLOYEES WHO ARE COVERED

17 UNDER ANOTHER PUBLIC OR PRIVATE PLAN OF HEALTH INSURANCE OR ANOTHER

18 HEALTH BENEFIT ARRANGEMENT, A CARRIER SHALL ALLOW AN EMPLOYEE OR

19 DEPENDENT WHO IS ELIGIBLE, BUT NOT ENROLLED, FOR COVERAGE UNDER THE

20 TERMS OF THE EMPLOYER'S HEALTH BENEFIT PLAN TO ENROLL FOR COVERAGE

21 UNDER THE TERMS OF THE PLAN IF:

22 (1) THE EMPLOYEE OR DEPENDENT WAS COVERED UNDER AN

23 EMPLOYER-SPONSORED PLAN OR GROUP HEALTH BENEFIT PLAN AT THE TIME

24 COVERAGE WAS PREVIOUSLY OFFERED TO THE EMPLOYEE OR DEPENDENT;

25 (2) THE EMPLOYEE STATES IN WRITING, AT THE TIME COVERAGE WAS

26 PREVIOUSLY OFFERED, THAT COVERAGE UNDER AN EMPLOYER-SPONSORED PLAN

27 OR GROUP HEALTH BENEFIT PLAN WAS THE REASON FOR DECLINING ENROLLMENT,

28 BUT ONLY IF THE PLAN SPONSOR OR CARRIER REQUIRES THE STATEMENT AND

29 PROVIDES THE EMPLOYEE WITH NOTICE OF THE REQUIREMENT;

30 (3) THE EMPLOYEE'S OR DEPENDENT'S COVERAGE DESCRIBED IN ITEM

31 (1) OF THIS SUBSECTION:

32 (I) WAS UNDER A COBRA CONTINUATION PROVISION, AND THE

33 COVERAGE UNDER THAT PROVISION WAS EXHAUSTED; OR

34 (II) WAS NOT UNDER A COBRA CONTINUATION PROVISION, AND

35 EITHER THE COVERAGE WAS TERMINATED AS A RESULT OF LOSS OF ELIGIBILITY

36 FOR THE COVERAGE, INCLUDING LOSS OF ELIGIBILITY AS A RESULT OF LEGAL

37 SEPARATION, DIVORCE, DEATH, TERMINATION OF EMPLOYMENT, OR REDUCTION IN

1 THE NUMBER OF HOURS OF EMPLOYMENT, OR EMPLOYER CONTRIBUTIONS  
2 TOWARDS THE COVERAGE WERE TERMINATED; AND

3 (4) UNDER THE TERMS OF THE PLAN, THE EMPLOYEE REQUESTS  
4 ENROLLMENT NOT LATER THAN 30 DAYS AFTER:

5 (I) THE DATE OF EXHAUSTION OF COVERAGE DESCRIBED IN ITEM  
6 (3)(I) OF THIS SUBSECTION; OR

7 (II) TERMINATION OF COVERAGE OR TERMINATION OF EMPLOYER  
8 CONTRIBUTIONS DESCRIBED IN ITEM (3)(II) OF THIS SUBSECTION.

9 (C) ALL SMALL EMPLOYER HEALTH BENEFIT PLANS SHALL PROVIDE A  
10 SPECIAL ENROLLMENT PERIOD DURING WHICH THE FOLLOWING ~~PERSONS~~  
11 INDIVIDUALS MAY BE ENROLLED UNDER THE HEALTH BENEFIT PLAN:

12 (1) ~~A PERSON~~ AN INDIVIDUAL WHO BECOMES A DEPENDENT OF THE  
13 ELIGIBLE EMPLOYEE THROUGH MARRIAGE, BIRTH, ADOPTION, OR PLACEMENT FOR  
14 ADOPTION;

15 (2) AN ELIGIBLE EMPLOYEE WHO ACQUIRES A NEW DEPENDENT  
16 THROUGH MARRIAGE, BIRTH, ADOPTION, OR PLACEMENT FOR ADOPTION; AND

17 (3) THE SPOUSE OF AN ELIGIBLE EMPLOYEE AT THE BIRTH OR  
18 ADOPTION OF A CHILD, PROVIDED THE SPOUSE IS OTHERWISE ELIGIBLE FOR  
19 COVERAGE.

20 (D) AN ELIGIBLE EMPLOYEE MAY NOT ENROLL A DEPENDENT DURING A  
21 SPECIAL ENROLLMENT PERIOD UNLESS THE ELIGIBLE EMPLOYEE:

22 (1) IS ENROLLED UNDER THE HEALTH BENEFIT PLAN; OR

23 (2) APPLIES FOR COVERAGE FOR THE ELIGIBLE EMPLOYEE DURING THE  
24 SAME SPECIAL ENROLLMENT PERIOD.

25 ~~(D)~~ (E) THE SPECIAL ENROLLMENT PERIOD UNDER SUBSECTION (C) OF THIS  
26 SECTION SHALL BE A PERIOD OF NOT LESS THAN 31 DAYS AND SHALL BEGIN ON THE  
27 LATER OF:

28 (1) THE DATE DEPENDENT COVERAGE IS MADE AVAILABLE; OR

29 (2) THE DATE OF THE MARRIAGE, BIRTH, ADOPTION, OR PLACEMENT  
30 FOR ADOPTION, WHICHEVER IS APPLICABLE.

31 ~~(E)~~ (F) IF AN ELIGIBLE EMPLOYEE ENROLLS ANY OF THE ~~PERSONS~~  
32 INDIVIDUALS DESCRIBED IN SUBSECTION (C) OF THIS SECTION DURING THE FIRST 31  
33 DAYS OF THE SPECIAL ENROLLMENT PERIOD, THE COVERAGE SHALL BECOME  
34 EFFECTIVE AS FOLLOWS:

1 (1) IN THE CASE OF MARRIAGE, NOT LATER THAN THE FIRST DAY OF  
2 THE FIRST MONTH BEGINNING AFTER THE DATE THE COMPLETED REQUEST FOR  
3 ENROLLMENT IS RECEIVED;

4 (2) IN THE CASE OF A DEPENDENT'S BIRTH, AS OF THE DATE OF THE  
5 DEPENDENT'S BIRTH; AND

6 (3) IN THE CASE OF A DEPENDENT'S ADOPTION OR PLACEMENT FOR  
7 ADOPTION, THE DATE OF ADOPTION OR PLACEMENT FOR ADOPTION, WHICHEVER  
8 OCCURS FIRST.

9 15-1212.

10 (a) (1) Except as provided in subsections (b) [and], (c), AND (D) of this  
11 section, a carrier shall renew a health benefit plan at the option of the small  
12 employer.

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

15 (3) (i) A carrier shall mail a notice of renewal to the small employer at  
16 least 45 days before the expiration of a health benefit plan.

17 (ii) The notice of renewal shall include the dates of the renewal  
18 period, the health benefit plan rates, and the terms of coverage under the health  
19 benefit plan.

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

23 (b) A carrier may cancel or refuse to renew a health benefit plan only:

24 (1) for nonpayment of premiums;

25 (2) for fraud or INTENTIONAL misrepresentation of MATERIAL FACT BY  
26 the small employer [or covered individuals or their representatives];

27 (3) for noncompliance with [reasonable provisions of the health benefit  
28 plan as approved by the Commissioner] A MATERIAL PLAN PROVISION RELATING TO  
29 EMPLOYER CONTRIBUTIONS OR GROUP PARTICIPATION RULES;

30 (4) [for repeated misuse, as defined by the Commissioner, of a provider  
31 network provision;

32 (5)] when the carrier elects not to renew:

33 (i) all of its health benefit plans that are issued to small employers  
34 in the State; or

1 (ii) the particular health benefit plan for all small employers in the  
2 State; OR

3 (5) IN THE CASE OF A HEALTH MAINTENANCE ORGANIZATION, WHERE  
4 THERE IS NO LONGER ANY ENROLLEE WHO LIVES, RESIDES, OR WORKS IN THE  
5 HEALTH MAINTENANCE ORGANIZATION'S APPROVED SERVICE AREA.

6 [(6) if the Commissioner finds that continuation of coverage would:

7 (i) not be in the best interests of policyholders or certificate  
8 holders; or

9 (ii) impair the carrier's ability to meet its contractual obligations;  
10 or

11 (7) for reasons stated in § 19-725(b) of the Health - General Article, if  
12 the carrier is a health maintenance organization.]

13 (c) When a carrier elects not to renew all health benefit plans in the State, the  
14 carrier:

15 (1) shall give notice of its decision to the affected small employers and  
16 the insurance regulatory authority of each state in which an eligible employee or  
17 dependent resides at least 180 days before the effective date of nonrenewal;

18 (2) shall give notice to the Commissioner at least 30 working days before  
19 giving the notice specified in item (1) of this subsection; and

20 (3) may not write new business for small employers in the State for a  
21 period of 5 years beginning on the date of notice to the Commissioner.

22 (D) WHEN A CARRIER ELECTS NOT TO RENEW A PARTICULAR HEALTH  
23 BENEFIT PLAN FOR ALL SMALL EMPLOYERS IN THE STATE, THE CARRIER SHALL:

24 (1) PROVIDE NOTICE OF THE NONRENEWAL AT LEAST 90 DAYS BEFORE  
25 THE DATE OF THE NONRENEWAL TO:

26 (I) EACH AFFECTED:

27 1. SMALL EMPLOYER; AND

28 2. ENROLLED EMPLOYEE; AND

29 (II) THE COMMISSIONER;

30 (2) OFFER TO EACH AFFECTED SMALL EMPLOYER THE OPTION TO  
31 PURCHASE ALL OTHER HEALTH BENEFIT PLANS CURRENTLY OFFERED BY THE  
32 CARRIER IN THE SMALL GROUP MARKET; AND

1 (3) ACT UNIFORMLY WITHOUT REGARD TO THE CLAIMS EXPERIENCE OF  
2 ANY AFFECTED SMALL EMPLOYER, OR ANY HEALTH STATUS-RELATED FACTOR OF  
3 ANY AFFECTED INDIVIDUAL.

4 [(d)] (E) Within 7 days after cancellation or nonrenewal of a health benefit  
5 plan, the carrier shall send to each enrolled employee written notice of its action and  
6 the conversion rights available to each enrolled employee under § 15-412 of this  
7 article.

8 15-1301.

9 (h) "Eligible individual" means an individual:

10 (1) (i) for whom, as of the date on which the individual seeks coverage  
11 under this subtitle, the aggregate of the periods of creditable coverage is 18 or more  
12 months; and

13 (ii) whose most recent prior creditable coverage was under an  
14 employer sponsored plan, governmental plan, church plan, or health benefit plan  
15 offered in connection with any of these plans;

16 (2) who is not eligible for coverage under:

17 (i) an employer sponsored plan;

18 (ii) Part A or Part B of Title XVIII of the Social Security Act; OR

19 (iii) a State plan under Title XIX of the Social Security Act; [or

20 (iv) a health benefit plan;]

21 (3) WHO DOES NOT HAVE COVERAGE UNDER A HEALTH BENEFIT PLAN;

22 [(3)] (4) who has not had the most recent prior creditable coverage  
23 described in paragraph (1)(ii) of this subsection terminated for nonpayment of  
24 premiums or fraud by the individual; and

25 [(4)] (5) who, if the individual has been offered the option of  
26 continuation coverage under a State or federal continuation provision:

27 (i) has elected that coverage; and

28 (ii) has exhausted that coverage.

29 15-1401.

30 (p) "Special enrollment period" means a period during which a group health  
31 plan shall permit [an employee] CERTAIN INDIVIDUALS who [is] ARE eligible for  
32 coverage, but not enrolled, to enroll for coverage under the terms of the group health  
33 benefit plan.

1 15-1406.

2 (a) A carrier may not establish rules for eligibility of an individual to enroll  
3 under a group health [benefits] BENEFIT plan based on any health status-related  
4 factor.

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

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

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

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

13 (d) A carrier shall allow an employee or dependent who is eligible, but not  
14 enrolled, for coverage under the terms of a group health [benefits] BENEFIT plan to  
15 enroll for coverage under the terms of the plan if:

16 (1) the employee or dependent was covered under an  
17 employer-sponsored plan or group health [benefits] BENEFIT plan at the time  
18 coverage was previously offered to the employee or dependent;

19 (2) the employee states in writing, at the time coverage was previously  
20 offered, that coverage under an employer-sponsored plan or group health [benefits]  
21 BENEFIT plan was the reason for declining enrollment, but only if the plan sponsor or  
22 issuer requires the statement and provides the employee with notice of the  
23 requirement; and

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

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

28 (ii) was not under a COBRA continuation provision, and either the  
29 coverage was terminated as a result of loss of eligibility for the coverage, including  
30 loss of eligibility as a result of legal separation, divorce, death, termination of  
31 employment, or reduction in the number of hours of employment, or employer  
32 contributions towards the coverage were terminated[.]; AND

33 (4) UNDER THE TERMS OF THE PLAN, THE EMPLOYEE REQUESTS  
34 ENROLLMENT NOT LATER THAN 30 DAYS AFTER:

35 (I) THE DATE OF EXHAUSTION OF COVERAGE DESCRIBED IN ITEM  
36 (3)(I) OF THIS SUBSECTION; OR

1 (II) TERMINATION OF COVERAGE OR TERMINATION OF EMPLOYER  
2 CONTRIBUTIONS DESCRIBED IN ITEM (3)(II) OF THIS SUBSECTION.

3 15-1406.1.

4 (A) IN THIS SECTION, "~~INDIVIDUAL~~" "ELIGIBLE EMPLOYEE" MEANS:

5 (1) A PARTICIPANT UNDER THE GROUP HEALTH BENEFIT PLAN; OR

6 (2) A ~~PERSON~~ AN INDIVIDUAL WHO:

7 (I) HAS MET ANY WAITING PERIOD APPLICABLE TO BECOMING A  
8 PARTICIPANT UNDER THE GROUP HEALTH BENEFIT PLAN;

9 (II) IS ELIGIBLE TO BE ENROLLED UNDER THE PLAN; AND

10 (III) IS NOT A PARTICIPANT IN THE GROUP HEALTH BENEFIT PLAN  
11 BECAUSE OF FAILURE TO ENROLL DURING A PREVIOUS ENROLLMENT PERIOD.

12 (B) THIS SECTION APPLIES IF A GROUP HEALTH BENEFIT PLAN MAKES  
13 COVERAGE AVAILABLE TO DEPENDENTS OF AN ~~INDIVIDUAL~~ ELIGIBLE EMPLOYEE.

14 (C) A GROUP HEALTH BENEFIT PLAN SUBJECT TO THIS SECTION SHALL  
15 PROVIDE A SPECIAL ENROLLMENT PERIOD DURING WHICH THE FOLLOWING  
16 ~~PERSONS~~ INDIVIDUALS MAY BE ENROLLED UNDER THE GROUP HEALTH BENEFIT  
17 PLAN:

18 (1) A ~~PERSON~~ AN INDIVIDUAL WHO BECOMES A DEPENDENT OF ~~THE~~  
19 ~~INDIVIDUAL~~ AN ELIGIBLE EMPLOYEE THROUGH MARRIAGE, BIRTH, ADOPTION, OR  
20 PLACEMENT FOR ADOPTION;

21 (2) AN ~~INDIVIDUAL~~ ELIGIBLE EMPLOYEE WHO ACQUIRES A NEW  
22 DEPENDENT THROUGH MARRIAGE, BIRTH, ADOPTION, OR PLACEMENT FOR  
23 ADOPTION; AND

24 (3) THE SPOUSE OF AN ~~INDIVIDUAL~~ ELIGIBLE EMPLOYEE AT THE BIRTH  
25 OR ADOPTION OF A CHILD, PROVIDED THE SPOUSE IS OTHERWISE ELIGIBLE FOR  
26 COVERAGE.

27 (D) AN ELIGIBLE EMPLOYEE MAY NOT ENROLL A DEPENDENT DURING A  
28 SPECIAL ENROLLMENT PERIOD UNLESS THE ELIGIBLE EMPLOYEE:

29 (1) IS ENROLLED UNDER THE HEALTH BENEFIT PLAN; OR

30 (2) APPLIES FOR COVERAGE FOR THE ELIGIBLE EMPLOYEE DURING THE  
31 SAME SPECIAL ENROLLMENT PERIOD.

32 ~~(D)~~ (E) THE SPECIAL ENROLLMENT PERIOD UNDER SUBSECTION (C) OF THIS  
33 SECTION SHALL BE A PERIOD OF NOT LESS THAN 31 DAYS AND SHALL BEGIN ON THE  
34 LATER OF:

1 (1) THE DATE DEPENDENT COVERAGE IS MADE AVAILABLE; OR

2 (2) THE DATE OF THE MARRIAGE, BIRTH, ADOPTION, OR PLACEMENT  
3 FOR ADOPTION, WHICHEVER IS APPLICABLE.

4 ~~(E)~~ (F) IF AN ~~INDIVIDUAL~~ ELIGIBLE EMPLOYEE ENROLLS ANY OF THE  
5 ~~PERSONS~~ INDIVIDUALS DESCRIBED IN SUBSECTION (C) OF THIS SECTION DURING  
6 THE FIRST 31 DAYS OF THE SPECIAL ENROLLMENT PERIOD, THE COVERAGE SHALL  
7 BECOME EFFECTIVE AS FOLLOWS:

8 (1) IN THE CASE OF MARRIAGE, NOT LATER THAN THE FIRST DAY OF  
9 THE FIRST MONTH BEGINNING AFTER THE DATE THE COMPLETED REQUEST FOR  
10 ENROLLMENT IS RECEIVED;

11 (2) IN THE CASE OF A DEPENDENT'S BIRTH, AS OF THE DATE OF THE  
12 DEPENDENT'S BIRTH; AND

13 (3) IN THE CASE OF A DEPENDENT'S ADOPTION OR PLACEMENT FOR  
14 ADOPTION, THE DATE OF ADOPTION OR PLACEMENT FOR ADOPTION, WHICHEVER  
15 OCCURS FIRST.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 July 1, 2000.