

SENATE BILL 863

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J1

2000 Regular Session
(01r2638)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by **Senators Miller, Bromwell, and Van Hollen and the President**
(Administration)

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Children and Families Health Care Program**
3 **Maryland Health Programs Expansion Act of 2000**

4 FOR the purpose of ~~altering a certain eligibility requirement for certain individuals to~~
5 ~~participate in the Children and Families Health Care Program; repealing the~~
6 ~~requirement that certain individuals pay a certain annual family contribution~~
7 ~~amount to participate in the Program; and generally relating to the Children~~
8 ~~and Families Health Care Program~~ *expanding eligibility for the Children and*
9 *Families Health Care Program to certain individuals under a private option*
10 *plan; requiring that certain individuals enrolled in the Program receive health*
11 *benefits through an employer-sponsored health benefit plan or a certain*
12 *managed care organization; establishing certain criteria for approval of a certain*
13 *employer-sponsored health benefit plan; providing that certain individuals*
14 *enrolled in the Program receive health benefits through certain managed care*
15 *organizations; requiring the Department of Health and Mental Hygiene to*
16 *perform certain administrative duties; requiring certain parents and guardians*

1 to pay a certain family contribution; changing the name of the Children and
 2 Families Health Care Program; providing that certain individuals are exempt
 3 from certain enrollment restrictions; specifying that certain benefits offered
 4 under a certain employer-sponsored health benefit plan are subject to certain
 5 requirements; specifying that certain carriers that offer certain benefits are
 6 required to offer the benefits only to certain employers; altering the income
 7 threshold for pregnant women to receive certain benefits under the Medical
 8 Assistance Program; requiring the Department to submit a certain report to the
 9 Governor and General Assembly on or before a certain date; making certain
 10 stylistic and technical changes; providing for the effective dates of this Act;
 11 defining certain terms; providing for a delayed effective date; and generally
 12 relating to health insurance coverage for children.

13 ~~BY repealing and reenacting, with amendments,~~
 14 ~~Article - Health - General~~
 15 ~~Section 15-301~~
 16 ~~Annotated Code of Maryland~~
 17 ~~(1994 Replacement Volume and 1999 Supplement)~~

18 BY repealing
 19 Article - Health - General
 20 Section 15-301(e)
 21 Annotated Code of Maryland
 22 (1994 Replacement Volume and 1999 Supplement)

23 BY adding to
 24 Article - Health - General
 25 Section 15-301.1
 26 Annotated Code of Maryland
 27 (1994 Replacement Volume and 1999 Supplement)

28 BY repealing and reenacting, with amendments,
 29 Article - Health - General
 30 Section 15-301 to be under the amended subtitle "Subtitle 3, Maryland
 31 Children's Health Program"
 32 Annotated Code of Maryland
 33 (1994 Replacement Volume and 1999 Supplement)
 34 (As enacted by Section 1 of this Act)

35 BY repealing and reenacting, with amendments,
 36 Article - Health - General
 37 Section 15-101(f), 15-103(a)(2), and 15-302 through 15-304
 38 Annotated Code of Maryland
 39 (1994 Replacement Volume and 1999 Supplement)

1 BY repealing and reenacting, without amendments,
 2 Article - Health - General
 3 Section 15-305
 4 Annotated Code of Maryland
 5 (1994 Replacement Volume and 1999 Supplement)

6 BY repealing and reenacting, with amendments,
 7 Article - Insurance
 8 Section 15-1208, 15-1213, 15-1406, and 27-220
 9 Annotated Code of Maryland
 10 (1997 Volume and 1999 Supplement)

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

13 **Article - Health - General**

14 15-301.

15 (a) ~~In this section, "carrier" means:~~

16 (1) ~~An insurer;~~

17 (2) ~~A nonprofit service plan;~~

18 (3) ~~A health maintenance organization; or~~

19 (4) ~~Any other person that provides health benefit plans subject to~~
 20 ~~regulation by the State.~~

21 (b) ~~There is a Children and Families Health Care Program.~~

22 (c) ~~The Children and Families Health Care Program shall provide, subject to~~
 23 ~~the limitations of the State budget and any other requirements imposed by the State~~
 24 ~~and as permitted by federal law or waiver, comprehensive medical care and other~~
 25 ~~health care services to an individual who has a family income at or below [200] 300~~
 26 ~~250 percent of the federal poverty level and who is under the age of 19 years.~~

27 (d) ~~The Children and Families Health Care Program shall be administered~~
 28 ~~through the program under Subtitle 1 of this title requiring individuals to enroll in~~
 29 ~~managed care organizations.~~

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

33 (2) ~~On or before July 1, 2000 and in addition to any other requirements~~
 34 ~~of this subtitle, as a requirement to enroll and maintain participation in the Children~~

1 and Families Health Care Program, an individual's parent or guardian shall agree to
2 pay an annual family contribution amount determined by the Department in
3 accordance with paragraph (3) of this subsection.

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

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

12 (iii) Before collecting a family contribution from any individual, the
13 Department shall provide the individual with notice of the requirements of the family
14 contribution amount and the options available to the individual to make premium
15 payments.]

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

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

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

26 (3) (i) *For eligible individuals whose family income is at or above 185*
27 *percent of the federal poverty level, the Department shall develop an annual family*
28 *contribution amount payment system such that the cost of the family contribution is at*
29 *least 1 percent of the annual family income but does not exceed 2 percent of the annual*
30 *family income.*

31 (ii) *The Department shall determine by regulation the schedules and*
32 *the method of collection for the family contribution amount under subparagraph (i) of*
33 *this paragraph.*

34 (iii) *Before collecting a family contribution from any individual, the*
35 *Department shall provide the individual with notice of the requirements of the family*
36 *contribution amount and the options available to the individual to make premium*
37 *payments.]*

38 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
39 *read as follows:*

Article - Health - General

2 15-101.

3 (f) "Managed care organization" means:

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

6 (2) A corporation that:

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

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

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

13 15-103.

14 (a) (2) The Program:

15 (i) Subject to the limitations of the State budget, shall provide
16 comprehensive medical and other health care services for indigent individuals or
17 medically indigent individuals or both;

18 (ii) Shall provide, subject to the limitations of the State budget,
19 comprehensive medical and other health care services for all eligible pregnant women
20 whose family income is at or below [200]250 percent of the poverty level, as permitted
21 by the federal law;

22 (iii) Shall provide, subject to the limitations of the State budget,
23 comprehensive medical and other health care services for all eligible children currently
24 under the age of 1 whose family income falls below 185 percent of the poverty level, as
25 permitted by federal law;

26 (iv) Shall provide, subject to the limitations of the State budget,
27 family planning services to women currently eligible for comprehensive medical care
28 and other health care under item (ii) of this paragraph for 5 years after the second
29 month following the month in which the woman delivers her child;

30 (v) Shall provide, subject to the limitations of the State budget,
31 comprehensive medical and other health care services for all children from the age of
32 1 year up through and including the age of 5 years whose family income falls below
33 133 percent of the poverty level, as permitted by the federal law;

34 (vi) Shall provide, subject to the limitations of the State budget,
35 comprehensive medical care and other health care services for all children born after

1 September 30, 1983 who are at least 6 years of age but are under 19 years of age whose
 2 family income falls below 100 percent of the poverty level, as permitted by federal law;

3 (vii) Shall provide, subject to the limitations of the State budget,
 4 comprehensive medical care and other health care services for all legal immigrants
 5 who meet Program eligibility standards and who arrived in the United States before
 6 August 22, 1996, the effective date of the federal Personal Responsibility and Work
 7 Opportunity Reconciliation Act, as permitted by federal law;

8 (viii) Shall provide, subject to the limitations of the State budget and
 9 any other requirements imposed by the State, comprehensive medical care and other
 10 health care services for all legal immigrant children under the age of 18 years and
 11 pregnant women who meet Program eligibility standards and who arrived in the
 12 United States on or after August 22, 1996, the effective date of the federal Personal
 13 Responsibility and Work Opportunity Reconciliation Act;

14 (ix) May include bedside nursing care for eligible Program
 15 recipients; and

16 (x) Shall provide services in accordance with funding restrictions
 17 included in the annual State budget bill.

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

20 15-301.

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

22 (1) An insurer;

23 (2) A nonprofit service plan;

24 (3) A health maintenance organization; or

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

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

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

35 (d) (C) The [Children and Families Health Care Program] MARYLAND
 36 CHILDREN'S HEALTH PROGRAM shall be administered [through];

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

5 (2) FOR ELIGIBLE INDIVIDUALS WHOSE FAMILY INCOME IS ABOVE 200
6 PERCENT, BUT AT OR BELOW 300 PERCENT OF THE FEDERAL POVERTY GUIDELINES,
7 THROUGH THE MCHP PRIVATE OPTION PLAN UNDER § 15-301.1 OF THIS SUBTITLE.
8 15-301.1.

9 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
10 INDICATED.

11 (2) "CARRIER" MEANS:

12 (I) AN INSURER;

13 (II) A NONPROFIT SERVICE PLAN;

14 (III) A HEALTH MAINTENANCE ORGANIZATION; OR

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

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

21 (4) "FAMILY CONTRIBUTION" MEANS THE PORTION OF THE PREMIUM
22 COST PAID FOR AN ELIGIBLE INDIVIDUAL TO ENROLL AND PARTICIPATE IN THE
23 MARYLAND CHILDREN'S HEALTH PROGRAM.

24 (5) "MCHP PRIVATE OPTION PLAN" MEANS THE PLAN ESTABLISHED
25 UNDER THIS SECTION TO PROVIDE ACCESS TO HEALTH INSURANCE COVERAGE TO
26 ELIGIBLE INDIVIDUALS THROUGH EMPLOYER-SPONSORED HEALTH BENEFIT PLANS
27 AND MANAGED CARE ORGANIZATIONS UNDER THE MARYLAND CHILDREN'S HEALTH
28 PROGRAM.

29 (B) THIS SECTION APPLIES ONLY TO INDIVIDUALS WHOSE FAMILY INCOME IS
30 ABOVE 200 PERCENT, BUT AT OR BELOW 300 PERCENT OF THE FEDERAL POVERTY
31 GUIDELINES.

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

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

1 (II) THE EMPLOYER ELECTS TO PARTICIPATE IN THE MCHP
2 PRIVATE OPTION PLAN;

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

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

8 (V) THE PLAN INCLUDES A BENEFIT PACKAGE THAT IS
9 DETERMINED BY THE DEPARTMENT TO BE AT LEAST EQUIVALENT TO THE
10 COMPREHENSIVE STANDARD HEALTH BENEFIT PLAN ESTABLISHED UNDER
11 § 15-1207 OF THE INSURANCE ARTICLE; AND

12 (VI) THE PLAN DOES NOT IMPOSE COSTSHARING REQUIREMENTS
13 ON ELIGIBLE INDIVIDUALS.

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

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

21 (1) EVALUATING EMPLOYER-SPONSORED HEALTH BENEFIT PLANS TO
22 DETERMINE WHETHER SPECIFIC PLANS MEET APPLICABLE STATE AND FEDERAL
23 REQUIREMENTS;

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

27 (3) COLLECTING THE FAMILY CONTRIBUTION UNDER SUBSECTION (E)
28 OF THIS SECTION;

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

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

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

1 (I) FOR AN ELIGIBLE INDIVIDUAL WHOSE FAMILY INCOME IS
2 ABOVE 200 PERCENT, BUT AT OR BELOW 250 PERCENT OF THE FEDERAL POVERTY
3 GUIDELINES, AN AMOUNT EQUAL TO 2 PERCENT OF THE ANNUAL INCOME OF A
4 FAMILY OF TWO AT 200 PERCENT OF THE FEDERAL POVERTY GUIDELINES; AND

5 (II) FOR AN ELIGIBLE INDIVIDUAL WHOSE FAMILY INCOME IS
6 ABOVE 250 PERCENT, BUT AT OR BELOW 300 PERCENT OF THE FEDERAL POVERTY
7 GUIDELINES, AN AMOUNT EQUAL TO 2 PERCENT OF THE ANNUAL INCOME OF A
8 FAMILY OF TWO AT 250 PERCENT OF THE FEDERAL POVERTY GUIDELINES.

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

13 (F) THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO
14 IMPLEMENT THIS SECTION.

15 15-302.

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

22 (2) The Department, in particular, shall review applications of
23 individuals who qualified for Program benefits under the [Children and Families
24 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM established under
25 [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

26 (b) (1) An application may be disapproved if it is determined that an
27 individual under the age of 19 years to be covered under the [Children and Families
28 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM [established
29 under § 15-301 of this subtitle], for whom the application was submitted, was covered
30 by an employer sponsored health benefit plan with dependent coverage which was
31 voluntarily terminated within 6 months preceding the date of the application.

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

35 (i) Loss of employment due to factors other than voluntary
36 termination;

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

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

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

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

7 15-303.

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

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

15 (3) The Department or its enrollment contractor, to the extent feasible in
16 its marketing, outreach, and enrollment programs, shall hire individuals receiving
17 assistance under the Family Investment Program established under Article 88A of the
18 Code.

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

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

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

25 (ii) Perform other outreach functions.

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

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

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

1 15-304.

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

7 (2) As appropriate to carry out its responsibilities under paragraph (1) of
8 this subsection, the Department may enter into contracts with county boards of
9 education to provide information at public schools on the [Children and Families
10 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM established under
11 [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

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

14 (2) In addition to the school-based outreach program established under
15 subsection (a) of this section, the Department, in consultation with the Maryland
16 Medicaid Advisory Committee established under § 15-103(b) of this title, shall develop
17 mechanisms for outreach for the program with a special emphasis on identifying
18 children who may be eligible for program benefits under the [Children and Families
19 Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM established under
20 [§ 15-301] §§ 15-301 AND 15-301.1 of this subtitle.

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

28 15-305.

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

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

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

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

37 (4) Develop methods to minimize the effect of employers or employees
38 terminating employer sponsored health insurance or privately purchased health care
39 insurance; and

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

4 Article - Insurance

5 15-1208.

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

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

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

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

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

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

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

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

23 (c) [A] EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A health
 24 benefit plan that does not use a preexisting condition provision may impose on
 25 enrollees:

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

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

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

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

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

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

6 15-1213.

7 (a) This section does not apply to any insurance enumerated in §
8 15-1201(f)(3)(i) through (xiii) of this subtitle.

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

12 (1) guaranteed issuance;

13 (2) guaranteed renewal;

14 (3) adjusted community rating; and

15 (4) the prohibition on preexisting condition limitations.

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

20 (i) guaranteed renewal;

21 (ii) adjusted community rating; and

22 (iii) the prohibition on preexisting condition limitations.

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

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

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

32 (I) GUARANTEED ISSUANCE;

33 (II) GUARANTEED RENEWAL;

- 1 (III) ADJUSTED COMMUNITY RATING; AND
2 (IV) THE PROHIBITION ON PREEXISTING CONDITION LIMITATIONS.

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

8 15-1406.

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

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

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

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

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

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

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

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

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

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

33 (ii) was not under a COBRA continuation provision, and either the
34 coverage was terminated as a result of loss of eligibility for the coverage, including loss
35 of eligibility as a result of legal separation, divorce, death, termination of employment,

1 or reduction in the number of hours of employment, or employer contributions towards
2 the coverage were terminated.

3 (E) A CARRIER SHALL ALLOW AN EMPLOYEE OR DEPENDENT WHO IS
4 ELIGIBLE, BUT NOT ENROLLED, FOR COVERAGE UNDER THE TERMS OF A GROUP
5 HEALTH BENEFIT PLAN TO ENROLL FOR COVERAGE UNDER THE TERMS OF THE
6 PLAN IF THE EMPLOYEE OR DEPENDENT REQUESTS ENROLLMENT WITHIN 30 DAYS
7 AFTER THE EMPLOYEE OR DEPENDENT IS DETERMINED TO BE ELIGIBLE FOR
8 COVERAGE UNDER THE MCHP PRIVATE OPTION PLAN IN ACCORDANCE WITH §
9 15-301.1 OF THE HEALTH - GENERAL ARTICLE.

10 27-220.

11 An agent, broker, or insurer may not refer an individual employee or dependent of
12 an employee to the [Children and Families Health Care Program] MARYLAND
13 CHILDREN'S HEALTH PROGRAM established under Title 15, Subtitle 3 of the Health -
14 General Article or arrange for an individual employee or dependent of an employee to
15 apply for the [Children and Families Health Care Program] MARYLAND CHILDREN'S
16 HEALTH PROGRAM established under Title 15, Subtitle 3 of the Health - General
17 Article if the agent, broker, or insurer has an economic interest in the referral or the
18 arrangement and the agent's, broker's, or insurer's sole purpose is to separate that
19 employee or that employee's dependent from group health insurance coverage provided
20 in connection with the employee's employment.

21 SECTION 3. AND BE IT FURTHER ENACTED, That the publisher of the
22 Annotated Code of Maryland, subject to the approval of the Department of Legislative
23 Services, shall correct any references to the Children and Families Health Care
24 Program throughout the Code that are rendered incorrect by this Act.

25 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of Health
26 and Mental Hygiene shall report to the Governor and the General Assembly, in
27 accordance with § 2-1246 of the State Government Article, on the implementation of
28 the Maryland Children's Health Program Private Option Plan on or before December
29 1, 2003.

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

32 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in
33 Section 5 of this Act, this Act shall take effect July 1, 2001.

