

HOUSE BILL 84

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2002 Regular Session
(2r0014)

ENROLLED BILL
-- Economic Matters/Finance --

Introduced by **Chairman, Economic Matters Committee (Departmental -
Health and Mental Hygiene)**

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.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Maryland Children's Health Program - Employer-Sponsored Health Benefit**
3 **Plans - Employer Contribution**

4 FOR the purpose of ~~repealing the requirement~~ altering the amount that an employer
5 must contribute ~~a certain amount~~ to family health insurance coverage under the
6 MCHP private option plan of the Maryland Children's Health Program;
7 requiring that certain employer-sponsored health benefit plans be
8 cost-effective; and generally relating to the MCHP private option plan of the
9 Maryland Children's Health Program.

10 BY repealing and reenacting, with amendments,
11 Article - Health - General
12 Section 15-301.1
13 Annotated Code of Maryland
14 (2000 Replacement Volume and 2001 Supplement)

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

3 **Article - Health - General**

4 15-301.1.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) "Carrier" means:

7 (i) An insurer;

8 (ii) A nonprofit service plan;

9 (iii) A health maintenance organization; or

10 (iv) Any other person that provides health benefit plans subject to
11 regulation by the State.

12 (3) "Eligible individual" means an individual who qualifies to participate
13 in the Maryland Children's Health Program under § 15-301(b) of this subtitle and
14 whose family income is above 200 percent, but at or below 300 percent of the federal
15 poverty guidelines.

16 (4) "Family contribution" means the portion of the premium cost paid for
17 an eligible individual to enroll and participate in the Maryland Children's Health
18 Program.

19 (5) "MCHP private option plan" means the plan established under this
20 section to provide access to health insurance coverage to eligible individuals through
21 employer-sponsored health benefit plans and managed care organizations under the
22 Maryland Children's Health Program.

23 (b) This section applies only to individuals whose family income is above 200
24 percent, but at or below 300 percent of the federal poverty guidelines.

25 (c) (1) An eligible individual who is enrolled in the MCHP private option
26 plan shall be insured through an employer's health benefit plan if:

27 (i) The employer offers family health insurance coverage to the
28 parent or guardian of an eligible individual;

29 (ii) The employer elects to participate in the MCHP private option
30 plan;

31 (iii) The parent or guardian of an eligible individual is insured
32 under the employer-sponsored health benefit plan;

1 (iv) {The employer contributes to family health insurance coverage
2 at a rate no less than ~~50~~ 30 percent of annual premiums} ~~THE EMPLOYEE RECEIVES~~
3 ~~THE FULL PREMIUM CONTRIBUTION AVAILABLE FROM THE EMPLOYER;~~

4 (v) The plan includes a benefit package that is determined by the
5 Department to be at least equivalent to the Comprehensive Standard Health Benefit
6 Plan established under § 15-1207 of the Insurance Article; and

7 (vi) The plan does not impose cost sharing requirements on eligible
8 individuals.

9 (2) (I) THE STATE'S COST FOR COVERAGE OF AN ELIGIBLE
10 INDIVIDUAL ENROLLED IN THE MCHP PRIVATE OPTION PLAN MAY NOT BE GREATER
11 THAN THE COST OF COVERAGE IF THE ELIGIBLE INDIVIDUAL WAS INSURED
12 THROUGH A MANAGED CARE ORGANIZATION AS DEFINED IN § 15-101(F) OF THIS
13 TITLE.

14 [(2)] (II) If an employer-sponsored health benefit plan that meets the
15 criteria under paragraph (1) of this subsection is not available to the eligible
16 individual OR IF THE DEPARTMENT DETERMINES THAT THE EMPLOYER-SPONSORED
17 HEALTH BENEFIT PLAN IS NOT COST EFFECTIVE AS REQUIRED IN ITEM (I) OF THIS
18 PARAGRAPH, the eligible individual shall be insured through a managed care
19 organization as defined in § 15-101(f) of this title.

20 (d) The Department shall facilitate coverage of eligible individuals under an
21 employer-sponsored health benefit plan by:

22 (1) Evaluating employer-sponsored health benefit plans to determine
23 whether specific plans meet applicable State and federal requirements;

24 (2) Assisting employers that wish to participate in the MCHP private
25 option plan to meet the eligibility criteria established under subsection (c) of this
26 section;

27 (3) Collecting the family contribution under subsection (e) of this section;

28 (4) Forwarding the family contribution and the State's portion of the
29 premium directly to the carrier; and

30 (5) Assisting employers in enrolling the eligible dependents of employees
31 in the employer-sponsored health benefit plan.

32 (e) (1) As a requirement of enrollment and participation in the MCHP
33 private option plan, through either an employer-sponsored health benefit plan or a
34 managed care organization, the parent or guardian of an eligible individual shall
35 agree to pay the following annual family contribution:

36 (i) For an eligible individual whose family income is above 200
37 percent, but at or below 250 percent of the federal poverty guidelines, an amount

1 equal to 2 percent of the annual income of a family of two at 200 percent of the federal
2 poverty guidelines; and

3 (ii) For an eligible individual whose family income is above 250
4 percent, but at or below 300 percent of the federal poverty guidelines, an amount
5 equal to 2 percent of the annual income of a family of two at 250 percent of the federal
6 poverty guidelines.

7 (2) The family contribution amounts required under paragraph (1) of
8 this subsection apply on a per family basis regardless of the number of eligible
9 individuals each family has enrolled in the MCHP private option plan.

10 (f) The Department shall adopt regulations necessary to implement this
11 section.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
13 effect July 1, 2002.