
By: **Delegate Redmer**

Introduced and read first time: February 8, 2002

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Small Group Health Insurance - Preexisting Conditions**

3 FOR the purpose of altering the conditions under which a carrier may limit coverage
4 for a preexisting condition under a small group health insurance plan;
5 expanding the number of months that certain late enrollees may be subject to a
6 preexisting condition provision or waiting period; providing that an eligible
7 employee or dependent may be subject to a preexisting condition provision for a
8 certain time period under certain circumstances; reducing the time period that
9 an eligible employee or dependent may be subject to a preexisting condition
10 provision under certain circumstances; and generally relating to small group
11 health insurance and preexisting conditions.

12 BY repealing and reenacting, with amendments,
13 Article - Insurance
14 Section 15-1208
15 Annotated Code of Maryland
16 (1997 Volume and 2001 Supplement)

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

19 **Article - Insurance**

20 15-1208.

21 (a) (1) [A] EXCEPT AS PROVIDED IN THIS SECTION, A carrier may not limit
22 coverage under a health benefit plan for a preexisting condition.

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

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

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

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

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

5 (iv) the individual or a family member of the individual who is
6 eligible for enrollment under § 15-301.1 of the Health - General Article requests
7 enrollment within 30 days after becoming eligible.

8 (2) [Notwithstanding subsection (a) of this section, a] A late enrollee
9 may be subject to [a 12-month] AN 18-MONTH preexisting condition provision or a
10 waiting period until the next open enrollment period not to exceed [a 12-month] AN
11 18-MONTH period.

12 (c) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN
13 ELIGIBLE EMPLOYEE OR DEPENDENT MAY BE SUBJECT TO A 12-MONTH
14 PREEXISTING CONDITION PROVISION IF THE ELIGIBLE EMPLOYEE OR DEPENDENT
15 HAS RECEIVED MEDICAL ADVICE, DIAGNOSIS, CARE, OR TREATMENT FOR THE
16 CONDITION DURING THE 6-MONTH PERIOD IMMEDIATELY PRECEDING THE
17 EFFECTIVE DATE OF COVERAGE.

18 (2) THE 12-MONTH PREEXISTING CONDITION PROVISION UNDER THIS
19 SECTION SHALL BE REDUCED BY THE NUMBER OF MONTHS IMMEDIATELY
20 PRECEDING THE EFFECTIVE DATE OF COVERAGE THAT AN ELIGIBLE EMPLOYEE OR
21 DEPENDENT MAINTAINED HEALTH INSURANCE COVERAGE.

22 (D) Except as provided in subsection [(d)] (E) of this section, for a period not to
23 exceed 6 months after the date an individual becomes an eligible employee, a health
24 benefit plan may require deductibles and cost-sharing for benefits for a preexisting
25 condition of the eligible employee in amounts not exceeding 1.5 times the amount of
26 the standard deductibles and cost-sharing of other eligible employees if:

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

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

30 [(d)] (E) Subsection[(c)](D) of this section does not apply to an individual or a
31 family member of an individual who is eligible for enrollment in the MCHP private
32 option plan established under § 15-301.1 of the Health - General Article and is a late
33 enrollee.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 2002.