
By: **Senators Teitelbaum, Astle, Conway, DeGrange, Dorman, Exum,
Hooper, Kelley, and Roesser**

Introduced and read first time: January 31, 2002

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 22, 2002

CHAPTER _____

1 AN ACT concerning

2 **Counties and Municipal Corporations - Group Health Benefit Plans -**
3 **Coverage for Residents**

4 FOR the purpose of authorizing ~~a county or municipal corporation~~ certain counties or
5 municipal corporations that ~~offers~~ offer coverage for its employees under a group
6 health benefit plan to offer coverage to certain residents who are not employees
7 of the county or municipal corporation; providing that the provisions of this Act
8 do not apply to certain counties or municipal corporations; requiring an
9 individual to be a resident of the county or municipal corporation for a certain
10 period of time to participate in the group health benefit plan; prohibiting certain
11 residents who have certain insurance coverage from participating in the group
12 health benefit plan; requiring a resident who chooses to participate in the group
13 health benefit plan to pay the full cost of the premium; authorizing the county or
14 municipal corporation to charge a certain administrative fee; authorizing the
15 county or municipal corporation to limit the number of residents participating in
16 the group health benefit plan; prohibiting the county or municipal corporation
17 from using health status to determine eligibility or continued participation in
18 the group health benefit plan; authorizing the county or municipal corporation
19 to elect not to renew certain coverage for residents upon notification in a certain
20 manner; allowing a participant in a group health benefit plan under this Act
21 who no longer resides in the county or municipal corporation to continue
22 coverage for a certain time under certain circumstances; requiring certain
23 county or municipal corporations on or before a certain date to provide a certain
24 report; and generally relating to coverage for residents of counties and
25 municipal corporations under group health benefit plans.

26 BY adding to

1 Article 24 - Political Subdivisions - Miscellaneous Provisions
2 Section 18-101 to be under the new title "Title 18. Group Health Benefit Plans"
3 Annotated Code of Maryland
4 (2001 Replacement Volume)

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

7 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

8 TITLE 18. GROUP HEALTH BENEFIT PLANS.

9 18-101.

10 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS
11 SECTION APPLIES TO A COUNTY OR MUNICIPAL CORPORATION THAT OFFERS
12 COVERAGE FOR HEALTH BENEFITS TO THE EMPLOYEES OF THE COUNTY OR
13 MUNICIPAL CORPORATION UNDER A GROUP HEALTH BENEFIT PLAN.

14 (2) THIS SECTION DOES NOT APPLY TO A COUNTY OR MUNICIPAL
15 CORPORATION THAT:

16 (I) IS SELF-INSURED; OR

17 (II) MEETS THE REQUIREMENTS OF SMALL EMPLOYER UNDER §
18 15-1203(B) OF THE INSURANCE ARTICLE.

19 (B) A COUNTY OR MUNICIPAL CORPORATION SUBJECT TO THIS SECTION MAY
20 ALLOW RESIDENTS OF THE COUNTY OR MUNICIPAL CORPORATION WHO ARE NOT
21 EMPLOYEES OF THE COUNTY OR MUNICIPAL CORPORATION TO PARTICIPATE IN THE
22 GROUP HEALTH BENEFIT PLAN SUBJECT TO THE CONDITIONS OF THIS SECTION.

23 (C) (1) A RESIDENT OF THE COUNTY OR MUNICIPAL CORPORATION SUBJECT
24 TO THIS SECTION WHO IS NOT AN EMPLOYEE OF THE COUNTY OR MUNICIPAL
25 CORPORATION MAY PARTICIPATE IN THE GROUP HEALTH BENEFIT PLAN OF THE
26 COUNTY OR MUNICIPAL CORPORATION ONLY IF THE INDIVIDUAL HAS BEEN A
27 RESIDENT OF THE COUNTY OR MUNICIPAL CORPORATION FOR AT LEAST 1 YEAR.

28 (2) A RESIDENT IS NOT ELIGIBLE TO PARTICIPATE IN THE GROUP
29 HEALTH BENEFIT PLAN IF THE RESIDENT IS ELIGIBLE FOR COVERAGE UNDER:

30 (I) THE FEDERAL MEDICARE PROGRAM;

31 (II) THE MARYLAND MEDICAL ASSISTANCE PROGRAM;

32 (III) THE MARYLAND CHILDREN'S HEALTH PROGRAM; OR

33 (IV) ANY OTHER GROUP HEALTH INSURANCE PLAN.

1 (D) IF A RESIDENT OF THE COUNTY OR MUNICIPAL CORPORATION CHOOSES
2 TO PARTICIPATE IN THE GROUP HEALTH BENEFIT PLAN, THE RESIDENT SHALL PAY
3 THE FULL COST OF THE PREMIUM WITH NO SUBSIDY FROM THE COUNTY OR
4 MUNICIPAL CORPORATION.

5 (E) THE COUNTY OR MUNICIPAL CORPORATION MAY CHARGE AN ANNUAL
6 ADMINISTRATIVE FEE ~~OF UP TO \$25 PER YEAR~~ TO ADMINISTER THE ACCOUNT OF A
7 RESIDENT OF THE COUNTY OR MUNICIPAL CORPORATION WHO PARTICIPATES IN
8 THE GROUP HEALTH BENEFIT PLAN.

9 (F) (1) THE COUNTY OR MUNICIPAL CORPORATION MAY LIMIT THE
10 NUMBER OF ADDITIONAL RESIDENTS THAT MAY PARTICIPATE IN THE GROUP
11 HEALTH BENEFIT PLAN EACH YEAR.

12 (2) THE COUNTY OR MUNICIPAL CORPORATION MAY NOT USE THE
13 HEALTH STATUS OF A RESIDENT OR THE RESIDENT'S DEPENDANTS AS A FACTOR FOR
14 DETERMINING ELIGIBILITY OR CONTINUED PARTICIPATION IN THE GROUP HEALTH
15 BENEFIT PLAN.

16 (G) (1) AT THE END OF A CONTRACT PERIOD, A COUNTY OR MUNICIPAL
17 CORPORATION MAY ELECT NOT TO RENEW COVERAGE UNDER THIS SECTION FOR
18 ALL RESIDENTS WHO ARE NOT EMPLOYEES OF THE COUNTY OR MUNICIPAL
19 CORPORATION.

20 (2) IF THE COUNTY OR MUNICIPAL CORPORATION ELECTS NOT TO
21 RENEW COVERAGE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COUNTY OR
22 MUNICIPAL CORPORATION SHALL PROVIDE NOTICE OF NONRENEWAL AT LEAST 90
23 DAYS BEFORE THE DATE OF THE NONRENEWAL TO EACH AFFECTED RESIDENT.

24 (H) A PARTICIPATING RESIDENT WHO NO LONGER MAINTAINS A PRINCIPAL
25 RESIDENCE IN THE COUNTY OR MUNICIPAL CORPORATION MAY ELECT TO
26 CONTINUE COVERAGE FOR A PERIOD OF UP TO 6 MONTHS AFTER MOVING FROM THE
27 COUNTY OR MUNICIPAL CORPORATION.

28 SECTION 2. AND BE IT FURTHER ENACTED, That on or before January 1,
29 2005, any county or municipal corporation that offers coverage under this Act shall
30 report to the Governor, and, in accordance with § 2-1246 of the State Government
31 Article, the General Assembly, on the number of covered lives, age, employment
32 status, total premium, and total claims of all residents participating in a group health
33 benefit plan under Article 24, § 18-101 of the Code.

34 ~~SECTION 2. 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take
35 effect ~~October~~ July 1, 2002.

