

HOUSE BILL 1100  
EMERGENCY BILL

Unofficial Copy  
C3

2003 Regular Session  
3r2353

---

By: ~~Delegate Pendergrass~~ Delegates Pendergrass, Hammen, Benson, Boutin, Bromwell, Costa, Donoghue, Elliott, Goldwater, Haynes, Hubbard, Hurson, Kach, Mandel, McDonough, Morhaim, Murray, Nathan-Pulliam, Oaks, Rosenberg, Rudolph, Smigiel, V. Turner, and Weldon Weldon, Minnick, McHale, Krysiak, Harrison, Arnick, Weir, and Doory

Introduced and read first time: February 24, 2003

Assigned to: Rules and Executive Nominations

Re-referred to: Health and Government Operations, March 6, 2003

---

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 21, 2003

---

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Health Insurance Plan – Board of Directors**  
3 **Health Insurance Coverage Availability Act of 2003**

4 FOR the purpose of making certain health insurance coverage available to certain  
5 individuals who lose coverage under certain circumstances and are eligible for a  
6 certain federal tax credit; making certain health insurance coverage available to  
7 certain individuals who lose coverage under a certain plan; requiring certain  
8 insurers to issue a Medicare supplemental policy to certain individuals;  
9 providing that certain provisions of this Act prevail over certain regulations;  
10 requiring the Maryland Insurance Administration to issue notice of certain  
11 requirements to certain carriers; ~~altering the composition of~~ adding members to  
12 the Board of Directors for the Maryland Health Insurance Plan; specifying the  
13 appointment process for the additional members of the Board; requiring the  
14 Maryland Insurance Administration to give a certain notice and make a certain  
15 request to the Centers for Medicare and Medicaid Services; defining certain  
16 terms; making this Act an emergency measure; and generally relating to the  
17 Maryland Health Insurance Plan and health insurance coverage.

18 BY repealing and reenacting, without amendments,  
19 Article - Insurance  
20 Section 14-501(a), (c), and (g), 14-502, and 14-503(a) and (b)  
21 Annotated Code of Maryland

1 (2002 Replacement Volume and 2002 Supplement)

2 BY repealing and reenacting, with amendments,

3 Article - Insurance

4 Section 14-501(f) and 14-503(c) and (d)

5 Annotated Code of Maryland

6 (2002 Replacement Volume and 2002 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article - Insurance**

10 14-501.

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

12 (c) "Board" means the Board of Directors for the Maryland Health Insurance  
13 Plan.

14 (f) (1) "Medically uninsurable individual" means an individual who is a  
15 resident of the State and who:

16 (i) provides evidence that, for health reasons, a carrier has refused  
17 to issue substantially similar coverage to the individual;

18 (ii) provides evidence that, for health reasons, a carrier has refused  
19 to issue substantially similar coverage to the individual, except at a rate that exceeds  
20 the Plan rate;

21 (iii) satisfies the definition of "eligible individual" under § 15-1301  
22 of this article;

23 (iv) has a history of or suffers from a medical or health condition  
24 that is included on a list promulgated in regulation by the Board; [or]

25 (v) IS ELIGIBLE FOR THE TAX CREDIT FOR HEALTH INSURANCE  
26 COSTS UNDER § 35 OF THE INTERNAL REVENUE CODE; OR

27 (VI) is a dependent of an individual who is eligible for coverage  
28 under this subsection.

29 (2) "Medically uninsurable individual" does not include an individual  
30 who is eligible for coverage under:

31 (i) the federal Medicare program;

32 (ii) the Maryland Medical Assistance Program;

33 (iii) the Maryland Children's Health Program; or

1 (iv) an employer-sponsored group health insurance plan that  
2 includes benefits comparable to Plan benefits.

3 (g) "Plan" means the Maryland Health Insurance Plan.

4 14-502.

5 (a) There is a Maryland Health Insurance Plan.

6 (b) The Plan is an independent unit that operates within the Administration.

7 (c) The purpose of the Plan is to decrease uncompensated care costs by  
8 providing access to affordable, comprehensive health benefits for medically  
9 uninsurable residents of the State by July 1, 2003.

10 (d) It is the intent of the General Assembly that the Plan operate as a  
11 nonprofit entity and that Fund revenue, to the extent consistent with good business  
12 practices, be used to subsidize health insurance coverage for medically uninsurable  
13 individuals.

14 14-503.

15 (a) There is a Board for the Plan.

16 (b) The Plan shall operate subject to the supervision and control of the Board.

17 (c) The Board consists of [five] SEVEN members, of whom:

18 (1) one shall be the Commissioner;

19 (2) one shall be the Executive Director of the Maryland Health Care  
20 Commission;

21 (3) one shall be the Executive Director of the Health Services Cost  
22 Review Commission;

23 (4) one shall be the Secretary of the Department of Budget and  
24 Management; [and]

25 (5) one shall be appointed by the Director of the Health, Education, and  
26 Advocacy Unit in the Office of the Attorney General in accordance with subsection (d)  
27 of this section;

28 (6) ~~ONE SHALL BE A REPRESENTATIVE OF~~ APPOINTED BY THE  
29 COMMISSIONER TO REPRESENT CARRIERS OPERATING IN THE STATE; AND

30 (7) ~~ONE SHALL BE AN INSURANCE PRODUCER~~ APPOINTED BY THE  
31 COMMISSIONER TO REPRESENT INSURANCE PRODUCERS SELLING INSURANCE IN  
32 THE STATE.

1 (d) (1) The Board member appointed under subsection (c)(5) of this section  
2 shall be a consumer who does not have a substantial financial interest in a person  
3 regulated under this article or under Title 19, Subtitle 7 of the Health - General  
4 Article.

5 (2) The term of [the] A consumer member AND A MEMBER APPOINTED  
6 BY THE COMMISSIONER is 4 years.

7 (3) At the end of a term, [the] A consumer member AND A MEMBER  
8 APPOINTED BY THE COMMISSIONER [continues] CONTINUE to serve until a successor  
9 is appointed and qualifies.

10 (4) [The] A consumer member AND A MEMBER APPOINTED BY THE  
11 COMMISSIONER who [is] ARE appointed after a term has begun [serves] SERVE only  
12 for the rest of the term and until a successor is appointed and qualifies.

13 SECTION 2. AND BE IT FURTHER ENACTED, That:

14 (a) This section prevails over any inconsistent provisions of the Code of  
15 Maryland Regulations 31.10.06.09-1.

16 (b) In this section, the terms "carrier", "Medicare", and "Medigap policy" have  
17 the meanings stated in § 15-901 of the Insurance Article.

18 (c) A carrier that issues Medigap policies in the State shall issue a Medigap  
19 policy to an individual eligible for Medicare if:

20 (1) the individual is enrolled under an employee welfare benefit plan  
21 that provides health benefits;

22 (2) the employee welfare benefit plan in which the individual is enrolled  
23 terminates;

24 (3) solely because of eligibility for Medicare, the individual is not eligible  
25 for credit for health insurance costs under § 35 of the Internal Revenue Code and  
26 enrollment in the Maryland Health Insurance Plan under § 14-501(f) of the  
27 Insurance Article, as enacted by Section 1 this Act; and

28 (4) the individual applies for the Medigap policy no later than 63 days  
29 after the employee welfare benefit plan terminates.

30 (d) The Maryland Insurance Administration shall issue notice of the  
31 requirements of this section to each affected carrier in the State.

32 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before October 1,  
33 2003, the Maryland Insurance Administration shall notify the Centers for Medicare  
34 and Medicaid Services that the State has established the Maryland Health Insurance  
35 Plan and shall request that the Maryland Health Insurance Plan be approved as an  
36 acceptable "alternative mechanism" under the federal Health Insurance Portability  
37 and Accountability Act in accordance with 45 CFR 148.128(e).

1 SECTION ~~2. 4.~~ AND BE IT FURTHER ENACTED, That this Act ~~shall take~~  
2 ~~effect June 1, 2003~~ is an emergency measure, is necessary for the immediate  
3 preservation of the public health or safety, has been passed by a yea and nay vote  
4 supported by three-fifths of all the members elected to each of the two Houses of the  
5 General Assembly, and shall take effect from the date it is enacted.