
By: **Delegates Kach and Elliott**

Introduced and read first time: February 13, 2004

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Health Insurance Benefit Cards**

3 FOR the purpose of requiring certain health insurance carriers to provide to insureds,
4 subscribers, and enrollees a health insurance benefit card that includes certain
5 data elements; requiring a carrier that contracts with or otherwise arranges for
6 health insurance benefits to be administered by another person to require the
7 benefit administrator to comply with this Act; requiring a carrier to issue a
8 health insurance benefit card on an annual basis; requiring a carrier to issue a
9 corrected health insurance benefit card under certain circumstances; requiring
10 the Department of Health and Mental Hygiene to adopt certain regulations;
11 exempting certain carriers from the application of this Act; defining a certain
12 term; providing for a delayed effective date; and generally relating to health
13 insurance benefit cards provided by health insurance carriers.

14 BY adding to
15 Article - Health - General
16 Section 19-706(zz)
17 Annotated Code of Maryland
18 (2000 Replacement Volume and 2003 Supplement)

19 BY adding to
20 Article - Insurance
21 Section 15-131
22 Annotated Code of Maryland
23 (2002 Replacement Volume and 2003 Supplement)

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

1 **Article - Health - General**

2 19-706.

3 (ZZ) THE PROVISIONS OF § 15-131 OF THE INSURANCE ARTICLE APPLY TO
4 HEALTH MAINTENANCE ORGANIZATIONS.

5 **Article - Insurance**

6 15-131.

7 (A) IN THIS SECTION, "CARRIER" MEANS:

8 (1) AN INSURER THAT PROVIDES HEALTH INSURANCE;

9 (2) A NONPROFIT HEALTH SERVICE PLAN;

10 (3) A HEALTH MAINTENANCE ORGANIZATION;

11 (4) A MANAGED CARE ORGANIZATION, AS DEFINED IN § 15-101 OF THE
12 HEALTH - GENERAL ARTICLE; AND

13 (5) A PERSON ACTING AS A THIRD PARTY ADMINISTRATOR.

14 (B) THIS SECTION DOES NOT APPLY TO CARRIERS THAT ISSUE OR DELIVER:

15 (1) SHORT-TERM TRAVEL OR ACCIDENT-ONLY POLICIES; OR

16 (2) SHORT-TERM NONRENEWABLE POLICIES OF NOT MORE THAN 6
17 MONTHS' DURATION.

18 (C) A CARRIER SHALL PROVIDE TO ITS INSURED, SUBSCRIBERS, OR
19 ENROLLEES A HEALTH INSURANCE BENEFIT CARD THAT INCLUDES THE
20 FOLLOWING DATA ELEMENTS:

21 (1) THE NAME OR IDENTIFYING TRADEMARK OF THE CARRIER OR, IF
22 ANOTHER PERSON ADMINISTERS THE HEALTH INSURANCE BENEFITS, THE NAME OR
23 IDENTIFYING TRADEMARK OF THE BENEFIT ADMINISTRATOR;

24 (2) THE NAME AND IDENTIFICATION NUMBER OF THE INSURED,
25 SUBSCRIBER, OR ENROLLEE;

26 (3) THE NAME AND IDENTIFICATION NUMBER OF THE GUARANTOR
27 EMPLOYER, IF ANY;

28 (4) THE TYPE OF DELIVERY SYSTEM, WHETHER POINT OF SERVICE,
29 PREFERRED PROVIDER, HEALTH MAINTENANCE ORGANIZATION, OR OTHER
30 DELIVERY SYSTEM, UNDER WHICH THE HEALTH INSURANCE BENEFITS ARE
31 PROVIDED;

32 (5) THE EFFECTIVE DATE OF COVERAGE;

1 (6) ANY APPLICABLE COPAYMENTS OR DEDUCTIBLES;

2 (7) THE TELEPHONE NUMBER THAT PROVIDERS MAY CALL FOR HEALTH
3 BENEFIT ASSISTANCE; AND

4 (8) ALL ELECTRONIC TRANSACTION ROUTING INFORMATION AND
5 OTHER NUMBERS REQUIRED BY THE CARRIER OR BENEFIT ADMINISTRATOR TO
6 PROCESS A HEALTH BENEFIT CLAIM ELECTRONICALLY.

7 (D) IF A CARRIER CONTRACTS WITH OR OTHERWISE ARRANGES FOR HEALTH
8 INSURANCE BENEFITS TO BE ADMINISTERED BY ANOTHER PERSON, THE CARRIER
9 SHALL REQUIRE THE BENEFIT ADMINISTRATOR TO COMPLY WITH THIS SECTION.

10 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A CARRIER SHALL
11 ISSUE A HEALTH INSURANCE BENEFIT CARD TO EACH INSURED, SUBSCRIBER, OR
12 ENROLLEE ON AN ANNUAL BASIS.

13 (2) IF A CHANGE OCCURS IN ANY OF THE DATA ELEMENTS REQUIRED
14 UNDER SUBSECTION (C) OF THIS SECTION, A CARRIER SHALL ISSUE A CORRECTED
15 HEALTH INSURANCE BENEFIT CARD.

16 (F) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL ADOPT
17 REGULATIONS TO ENABLE MANAGED CARE ORGANIZATIONS TO COMPLY WITH THE
18 REQUIREMENTS OF THIS SECTION.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
20 effect October 1, 2005.