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By: **Delegates Morhaim, Elliott, and Hammen**

Introduced and read first time: February 8, 2006

Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Continuation of Coverage for Adult Children**

3 FOR the purpose of requiring a group or individual health benefit plan issued or  
4 delivered in the State by a carrier to permit a child to continue to be covered  
5 under the health benefit plan after the child meets the limiting age specified in  
6 the health benefit plan if the child has had certain continuous coverage;  
7 providing for the end of the continuation of coverage as of certain dates;  
8 prohibiting the continuation right from being used to terminate coverage for an  
9 incapacitated child; making certain provisions applicable to health maintenance  
10 organizations; providing for the application of this Act; defining certain terms;  
11 and generally relating to continuation of coverage for adult children under  
12 health benefit plans.

13 BY adding to

14 Article - Health - General

15 Section 19-706(ggg)

16 Annotated Code of Maryland

17 (2005 Replacement Volume and 2005 Supplement)

18 BY adding to

19 Article - Insurance

20 Section 15-417

21 Annotated Code of Maryland

22 (2002 Replacement Volume and 2005 Supplement)

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

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

25 **Article - Health - General**

26 19-706.

27 (GGG) THE PROVISIONS OF § 15-417 OF THE INSURANCE ARTICLE APPLY TO

28 HEALTH MAINTENANCE ORGANIZATIONS.

Article - Insurance

15-417.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "CARRIER" MEANS:

(I) AN INSURER;

(II) A NONPROFIT HEALTH SERVICE PLAN; OR

(III) A HEALTH MAINTENANCE ORGANIZATION.

(3) "CONTINUOUS COVERAGE" MEANS COVERAGE FOR A CHILD UNDER ONE OR MORE OF A PARENT'S HEALTH BENEFIT PLANS WITHOUT A BREAK IN COVERAGE THAT EXCEEDED 63 DAYS.

(4) (I) "HEALTH BENEFIT PLAN" MEANS:

1. A CONTRACT ISSUED BY AN INSURER THAT PROVIDES HOSPITAL, MEDICAL, OR SURGICAL BENEFITS ON AN EXPENSE-INCURRED BASIS;

2. A CONTRACT ISSUED BY A NONPROFIT HEALTH SERVICE PLAN;

3. A CONTRACT ISSUED BY A HEALTH MAINTENANCE ORGANIZATION;

4. AN EMPLOYER SELF-FUNDED PLAN FOR THE EMPLOYEES OF THE EMPLOYER THAT PROVIDES HOSPITAL, MEDICAL, OR SURGICAL BENEFITS.

(II) "HEALTH BENEFIT PLAN" DOES NOT INCLUDE:

1. A CONTRACT COVERING ONE OR MORE, OR ANY COMBINATION OF THE FOLLOWING:

A. COVERAGE ONLY FOR LOSS CAUSED BY AN ACCIDENT;

B. DISABILITY COVERAGE;

C. CREDIT-ONLY INSURANCE; OR

D. LONG-TERM CARE COVERAGE; OR

2. THE FOLLOWING BENEFITS IF THEY ARE PROVIDED UNDER A SEPARATE CONTRACT:

A. DENTAL COVERAGE;

- 1                                   B.     VISION COVERAGE;
- 2                                   C.     MEDICARE SUPPLEMENT INSURANCE;
- 3                                   D.     COVERAGE LIMITED TO BENEFITS FOR A SPECIFIED  
4 DISEASE OR DISEASES; AND
- 5                                   E.     TRAVEL ACCIDENT OR SICKNESS COVERAGE.

6     (B)     EACH GROUP OR INDIVIDUAL HEALTH BENEFIT PLAN ISSUED OR  
7 DELIVERED IN THE STATE BY A CARRIER SHALL PERMIT A CHILD TO CONTINUE TO  
8 BE COVERED UNDER THE HEALTH BENEFIT PLAN AFTER THE CHILD MEETS THE  
9 LIMITING AGE SPECIFIED IN THE HEALTH BENEFIT PLAN IF THE CHILD HAS HAD  
10 CONTINUOUS COVERAGE FOR AT LEAST 2 YEARS PRIOR TO REACHING THE LIMITING  
11 AGE.

12     (C)     THE CONTINUATION OF COVERAGE PROVIDED IN SUBSECTION (B) OF THIS  
13 SECTION SHALL END ON THE EARLIER OF:

14                   (1)     THE END OF THE MONTH IN WHICH THE CHILD ATTAINS AGE 30;

15                   (2)     THE DATE ON WHICH THE CHILD ACCEPTS COVERAGE UNDER  
16 ANOTHER INDIVIDUAL HEALTH BENEFIT PLAN;

17                   (3)     THE DATE ON WHICH THE CHILD BECOMES ELIGIBLE FOR  
18 COVERAGE UNDER AN EMPLOYER-SPONSORED HEALTH BENEFIT PLAN AS OTHER  
19 THAN A DEPENDENT; OR

20                   (4)     THE DATE ON WHICH THE PARENT ELECTS TO TERMINATE  
21 COVERAGE FOR THE CHILD UNDER THE PARENT'S HEALTH BENEFIT PLAN.

22     (D)     THE CONTINUATION RIGHT PROVIDED UNDER THIS SECTION MAY NOT BE  
23 USED TO TERMINATE COVERAGE FOR AN INCAPACITATED CHILD AS PROVIDED  
24 UNDER § 15-402 OF THIS SUBTITLE.

25     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all  
26 policies and contracts issued, delivered, or renewed in the State on or after October 1,  
27 2006. Any policy or contract in effect before October 1, 2006, shall comply with the  
28 provisions of this Act no later than October 1, 2007.

29     SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 2006.