
By: **Delegate Barve**

Introduced and read first time: February 10, 2006

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Small Group Market - Small Employer - Size of**
 3 **Employee Group**

4 FOR the purpose of altering the employee group size criteria a person must meet to be
 5 considered a small employer for purposes of participating in the small group
 6 health insurance market; increasing the number of persons that qualify as small
 7 employers by increasing the number of eligible employees that a small employer
 8 may have; and generally relating to the small group health insurance market.

9 BY repealing and reenacting, with amendments,
 10 Article - Insurance
 11 Section 15-1203(b)
 12 Annotated Code of Maryland
 13 (2002 Replacement Volume and 2005 Supplement)

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

16 **Article - Insurance**

17 15-1203.

18 (b) (1) A person is considered a small employer under this subtitle if the
 19 person:

20 (i) is an employer that on at least 50% of its working days during
 21 the preceding calendar quarter, employed at least two but not more than [50] 200
 22 eligible employees, the majority of whom are employed in the State; and

23 (ii) is a person actively engaged in business or is the governing body of:

24 1. a charter home-rule county established under Article
 25 XI-A of the Maryland Constitution;

26 2. a code home-rule county established under Article XI-F of
 27 the Maryland Constitution;

1 3. a commission county established or operating under
2 Article 25 of the Code; or

3 4. a municipal corporation established or operating under
4 Article XI-E of the Maryland Constitution.

5 (2) Notwithstanding paragraph (1)(i) of this subsection:

6 (i) a person is considered a small employer under this subtitle if
7 the employer did not exist during the preceding calendar year but on at least 50% of
8 the working days during its first year the employer employs at least two but not more
9 than [50] 200 eligible employees and otherwise satisfies the conditions of paragraph
10 (1)(i) of this subsection; and

11 (ii) if the federal Employee Retirement Income Security Act
12 (ERISA) is amended to exclude employee groups under a specific size, this subtitle
13 shall apply to any employee group size that is excluded from that Act.

14 (3) In determining the group size specified under paragraph (1)(i) of this
15 subsection:

16 (i) companies that are affiliated companies or that are eligible to
17 file a consolidated federal income tax return shall be considered one employer; and

18 (ii) an employee may not be counted who is a part-time employee
19 as described in § 15-1210(a)(2) of this subtitle.

20 (4) A carrier may request documentation to verify that a person meets
21 the criteria under this subsection to be considered a small employer under this
22 subtitle.

23 (5) Notwithstanding paragraph (1)(i) of this subsection, a person is
24 considered to continue to be a small employer under this subtitle if the person met the
25 conditions of paragraph (1)(i) of this subsection and purchased a health benefit plan
26 in accordance with this subtitle, and subsequently eliminated all but one employee.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2006.