

HOUSE BILL 1057

C3

71r2430

By: ~~Delegate Mizeur~~ Delegates Mizeur, Hammen, Benson, Bromwell, Costa, Elliott, Hubbard, Kach, Kipke, Kullen, McDonough, Montgomery, Morhaim, Nathan-Pulliam, Oaks, Pena-Melnyk, Pendergrass, Riley, Tarrant, V. Turner, and Weldon

Introduced and read first time: February 9, 2007

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 21, 2007

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – ~~Equity in~~ Family Coverage Expansion Act**

3 FOR the purpose of requiring certain ~~health~~ insurance policies or contracts to provide
4 that the same health insurance benefits and eligibility guidelines that apply to
5 covered dependents are available ~~on request to certain adult members and~~
6 ~~certain child members of the household,~~ at the request of certain persons, to
7 certain domestic partners and child dependents of domestic partners of the
8 insured, ~~subscriber, employee, or member~~; authorizing insurers ~~and~~ nonprofit
9 health service plans, and health maintenance organizations to require certain
10 proof; altering a certain requirement that a certain health insurance carrier
11 notify certain parents of certain information; requiring the Maryland Insurance
12 Commissioner to establish and publish a certain notice; requiring certain health
13 insurance policies and contracts to provide for certain coverage for certain
14 dependents under certain circumstances; requiring the Maryland Health Care
15 Commission, in consultation with certain other State agencies, to study the rate
16 at which certain young adults are uninsured and recommend ways to increase
17 their health care coverage; requiring the Commission to report on its study and
18 recommendations to certain legislative committees on or before a certain date;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 defining certain terms; providing that the provisions of this Act apply to health
 2 maintenance organizations; providing for the application of this Act; and
 3 generally relating to health insurance coverage ~~for household members under~~
 4 ~~health insurance.~~

5 BY adding to
 6 Article – Health – General
 7 Section 19–706(jjj)
 8 Annotated Code of Maryland
 9 (2005 Replacement Volume and 2006 Supplement)

10 BY adding to
 11 Article – Insurance
 12 Section 15–403.2 and 15–418
 13 Annotated Code of Maryland
 14 (2006 Replacement Volume and 2006 Supplement)

15 BY repealing and reenacting, with amendments,
 16 Article – Insurance
 17 Section 15–416
 18 Annotated Code of Maryland
 19 (2006 Replacement Volume and 2006 Supplement)

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

22 **Article – Health – General**

23 19–706.

24 **(JJJ) THE PROVISIONS OF ~~§ 15–403.2~~ §§ 15–403.2 AND 15–418 OF THE**
 25 **INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

26 **Article – Insurance**

27 **15–403.2.**

28 ~~(A) THIS SECTION APPLIES TO:~~

29 ~~(1) EACH INDIVIDUAL HEALTH INSURANCE POLICY THAT:~~

1 ~~(I) PROVIDES COVERAGE ON AN EXPENSE INCURRED~~
2 ~~BASIS; AND~~

3 ~~(H) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE~~
4 ~~INSURED;~~

5 ~~(2) EACH GROUP HEALTH INSURANCE POLICY THAT:~~

6 ~~(I) PROVIDES COVERAGE ON AN EXPENSE INCURRED BASIS~~
7 ~~FOR EMPLOYEES OF AN EMPLOYER OR EMPLOYERS OR MEMBERS OF A UNION~~
8 ~~OR UNIONS; AND~~

9 ~~(H) PROVIDES COVERAGE FOR A FAMILY MEMBER OF A~~
10 ~~COVERED EMPLOYEE OR MEMBER; AND~~

11 ~~(3) EACH INDIVIDUAL SERVICE OR INDEMNITY CONTRACT THAT:~~

12 ~~(I) IS ISSUED BY A NONPROFIT HEALTH SERVICE PLAN; AND~~

13 ~~(H) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE~~
14 ~~SUBSCRIBER.~~

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

17 (2) "CHILD DEPENDENT OF THE DOMESTIC PARTNER" MEANS AN
18 INDIVIDUAL WHO:

19 (I) IS:

20 1. THE NATURAL CHILD, STEPCHILD, ADOPTED
21 CHILD, OR GRANDCHILD OF THE DOMESTIC PARTNER OF AN INSURED;

22 2. A CHILD PLACED WITH THE DOMESTIC PARTNER
23 OF AN INSURED FOR LEGAL ADOPTION; OR

24 3. A CHILD WHO IS UNDER TESTAMENTARY OR
25 COURT APPOINTED GUARDIANSHIP, OTHER THAN TEMPORARY GUARDIANSHIP
26 OF LESS THAN 12 MONTHS' DURATION, OF THE DOMESTIC PARTNER OF AN
27 INSURED;

1 (II) IS A DEPENDENT, AS THAT TERM IS USED IN 26 U.S.C.
2 §§ 104, 105, AND 106, AND ANY REGULATIONS ADOPTED UNDER THOSE
3 SECTIONS, OF THE DOMESTIC PARTNER OF AN INSURED;

4 (III) RESIDES WITH THE INSURED;

5 (IV) IS UNMARRIED; AND

6 (V) IS UNDER THE AGE OF 25 YEARS.

7 (3) “DOMESTIC PARTNER” MEANS AN INDIVIDUAL IN A
8 RELATIONSHIP BETWEEN TWO INDIVIDUALS WHO:

9 (I) ARE AT LEAST 18 YEARS OLD;

10 (II) ARE NOT RELATED TO EACH OTHER BY BLOOD OR
11 MARRIAGE WITHIN FOUR DEGREES OF CONSANGUINITY UNDER CIVIL LAW RULE;

12 (III) ARE NOT MARRIED OR IN A CIVIL UNION OR DOMESTIC
13 PARTNERSHIP WITH ANOTHER INDIVIDUAL;

14 (IV) AGREE TO BE IN A RELATIONSHIP OF MUTUAL
15 INTERDEPENDENCE IN WHICH EACH INDIVIDUAL CONTRIBUTES TO SOME
16 EXTENT TO THE OTHER INDIVIDUAL’S MAINTENANCE AND SUPPORT; AND

17 (V) SHARE A COMMON RESIDENCE.

18 (B) THIS SECTION APPLIES TO EACH INDIVIDUAL OR GROUP POLICY OR
19 CONTRACT THAT:

20 (1) ALLOWS FAMILY COVERAGE; AND

21 (2) IS ISSUED BY:

22 (I) AN INSURER OR NONPROFIT HEALTH SERVICE PLAN
23 THAT PROVIDES INPATIENT HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO
24 INDIVIDUALS OR GROUPS ON AN EXPENSE-INCURRED BASIS UNDER HEALTH
25 INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE
26 STATE; OR

1 (II) A HEALTH MAINTENANCE ORGANIZATION THAT
2 PROVIDES INPATIENT HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO
3 INDIVIDUALS OR GROUPS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED
4 IN THE STATE.

5 ~~(B)~~ (C) EACH POLICY OR CONTRACT SUBJECT TO THIS SECTION
6 SHALL PROVIDE THAT THE SAME HEALTH INSURANCE BENEFITS AND
7 ELIGIBILITY GUIDELINES THAT APPLY TO ANY COVERED DEPENDENT ARE
8 AVAILABLE, ~~ON REQUEST OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR~~
9 ~~MEMBER, TO:~~ TO A DOMESTIC PARTNER OF AN INSURED OR A CHILD
10 DEPENDENT OF THE DOMESTIC PARTNER OF AN INSURED AT THE REQUEST OF:

11 (1) AN INSURED UNDER AN INDIVIDUAL POLICY OR CONTRACT
12 THAT IS SUBJECT TO THIS SECTION; OR

13 (2) THE GROUP POLICY HOLDER OF A GROUP POLICY OR
14 CONTRACT THAT IS SUBJECT TO THIS SECTION.

15 (D) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH
16 MAINTENANCE ORGANIZATION MAY REQUIRE A GROUP POLICY HOLDER THAT
17 REQUESTS COVERAGE FOR A DOMESTIC PARTNER OR CHILD DEPENDENT OF
18 THE DOMESTIC PARTNER OF AN INSURED UNDER SUBSECTION (C)(2) OF THIS
19 SECTION TO PROVIDE PROOF OF THE ELIGIBILITY OF THE DOMESTIC PARTNER
20 OR CHILD DEPENDENT OF THE DOMESTIC PARTNER FOR COVERAGE UNDER
21 THIS SECTION.

22 15-416.

23 (a) This section applies to insurers, nonprofit health service plans, and
24 health maintenance organizations that deliver or issue for delivery in the State
25 individual, group, or blanket health insurance policies and contracts.

26 (b) At least 60 days before a child [age 19 and older] who is covered under a
27 parent's individual, group, or blanket health insurance policy or contract [as a
28 full-time student attains the limiting age specified in the policy or contract for a
29 full-time student] TURNS 18 YEARS OF AGE, an entity subject to this section shall:

1 (1) notify the parent of [the impending loss of the child's coverage]
2 **CRITERIA UNDER WHICH A CHILD MAY REMAIN ELIGIBLE FOR COVERAGE AS A**
3 **DEPENDENT UNDER THE POLICY OR CONTRACT; and**

4 (2) provide information regarding:

5 (i) any other policies that may be available to the child from the
6 entity; and

7 (ii) the availability of additional information from the
8 Administration regarding individual policies in the State.

9 **(C) THE COMMISSIONER SHALL ESTABLISH AND PUBLISH BY BULLETIN**
10 **THE NOTICE TO BE GIVEN UNDER THIS SECTION.**

11 **15-418.**

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

14 **(2) "CARRIER" MEANS:**

15 **(I) AN INSURER;**

16 **(II) A NONPROFIT HEALTH SERVICE PLAN; OR**

17 **(III) A HEALTH MAINTENANCE ORGANIZATION.**

18 **(3) "CHILD DEPENDENT" MEANS AN INDIVIDUAL WHO:**

19 **(I) IS:**

20 **1. THE NATURAL CHILD, STEPCHILD, ADOPTED**
21 **CHILD, OR GRANDCHILD OF THE INSURED;**

22 **2. A CHILD PLACED WITH THE INSURED FOR LEGAL**
23 **ADOPTION; OR**

24 **3. A CHILD WHO IS ENTITLED TO DEPENDENT**
25 **COVERAGE UNDER § 15-403.1 OF THIS ARTICLE;**

1 (II) IS A DEPENDENT OF THE INSURED AS THAT TERM IS
2 USED IN 26 U.S.C. §§ 104, 105, AND 106, AND ANY REGULATIONS ADOPTED
3 UNDER THOSE SECTIONS;

4 (III) IS UNMARRIED; AND

5 (IV) IS UNDER THE AGE OF 25 YEARS.

6 (B) (1) THIS SECTION APPLIES TO:

7 (I) EACH POLICY OF INDIVIDUAL OR GROUP HEALTH
8 INSURANCE THAT IS ISSUED IN THE STATE;

9 (II) EACH CONTRACT THAT IS ISSUED IN THE STATE BY A
10 NONPROFIT HEALTH SERVICE PLAN; AND

11 (III) EACH CONTRACT THAT IS ISSUED IN THE STATE BY A
12 HEALTH MAINTENANCE ORGANIZATION.

13 (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION,
14 THIS SECTION DOES NOT APPLY TO:

15 (I) A CONTRACT COVERING ONE OR MORE, OR ANY
16 COMBINATION OF THE FOLLOWING:

17 1. COVERAGE ONLY FOR LOSS CAUSED BY AN
18 ACCIDENT;

19 2. DISABILITY COVERAGE;

20 3. CREDIT-ONLY INSURANCE; OR

21 4. LONG-TERM CARE COVERAGE; OR

22 (II) THE FOLLOWING BENEFITS IF THEY ARE PROVIDED
23 UNDER A SEPARATE CONTRACT:

24 1. DENTAL COVERAGE;

25 2. VISION COVERAGE;

1 **3. MEDICARE SUPPLEMENT INSURANCE;**

2 **4. COVERAGE LIMITED TO BENEFITS FOR A**
 3 **SPECIFIED DISEASE OR DISEASES; AND**

4 **5. TRAVEL ACCIDENT OR SICKNESS COVERAGE.**

5 **(C) EACH POLICY OR CONTRACT SUBJECT TO THIS SECTION THAT**
 6 **PROVIDES COVERAGE FOR DEPENDENTS SHALL:**

7 **(1) INCLUDE COVERAGE FOR A CHILD DEPENDENT;**

8 **(2) PROVIDE THE SAME HEALTH INSURANCE BENEFITS TO A**
 9 **CHILD DEPENDENT THAT ARE AVAILABLE TO ANY OTHER COVERED**
 10 **DEPENDENT; AND**

11 **(3) PROVIDE HEALTH INSURANCE BENEFITS TO A CHILD**
 12 **DEPENDENT AT THE SAME RATE OR PREMIUM APPLICABLE TO ANY OTHER**
 13 **COVERED DEPENDENT.**

14 **(D) THIS SECTION DOES NOT LIMIT OR ALTER ANY RIGHT TO**
 15 **DEPENDENT COVERAGE OR TO THE CONTINUATION OF COVERAGE THAT IS**
 16 **OTHERWISE PROVIDED FOR IN THIS ARTICLE.**

17 ~~**(1) AN ADULT MEMBER OF THE HOUSEHOLD OF THE INSURED,**~~
 18 ~~**SUBSCRIBER, EMPLOYEE, OR MEMBER WHO:**~~

19 ~~**(I) IS NOT THE CHILD OF THE INSURED, SUBSCRIBER,**~~
 20 ~~**EMPLOYEE, OR MEMBER; AND**~~

21 ~~**(II) RESIDES WITH THE INSURED, SUBSCRIBER, EMPLOYEE,**~~
 22 ~~**OR MEMBER; AND**~~

23 ~~**(2) A CHILD MEMBER OF THE HOUSEHOLD OF THE INSURED,**~~
 24 ~~**SUBSCRIBER, EMPLOYEE, OR MEMBER WHO:**~~

25 ~~**(I) IS NOT THE LEGAL DEPENDENT OF THE INSURED,**~~
 26 ~~**SUBSCRIBER, EMPLOYEE, OR MEMBER;**~~

1 ~~(H) RESIDES WITH THE INSURED, SUBSCRIBER, EMPLOYEE,~~
2 ~~OR MEMBER; AND~~

3 ~~(H) HAS NOT ATTAINED THE LIMITING AGE UNDER THE~~
4 ~~TERMS OF THE POLICY OR CONTRACT.~~

5 ~~(C) (1) AN INSURER OR NONPROFIT HEALTH SERVICE PLAN MAY~~
6 ~~REQUIRE PROOF THAT THE ADULT OR CHILD MEMBER OF THE HOUSEHOLD~~
7 ~~RESIDES WITH THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER.~~

8 ~~(2) IF THE INSURER OR NONPROFIT HEALTH SERVICE PLAN~~
9 ~~REQUIRES PROOF UNDER THIS SUBSECTION, THE INSURER OR NONPROFIT~~
10 ~~HEALTH SERVICE PLAN SHALL PAY THE COST OF THE PROOF.~~

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

12 (a) The Maryland Health Care Commission, in consultation with the
13 Department of Health and Mental Hygiene and the Maryland Insurance
14 Administration, shall study the high rate of uninsurance among young adults ages 19
15 to 29 in the State and recommend ways to increase health care coverage.

16 (b) The study shall:

17 (1) include a review of current health care coverage options available
18 in the State and options available in other states; and

19 (2) examine in particular:

20 (i) ways to provide health care coverage to young adults
21 transitioning from foster care; and

22 (ii) the feasibility and desirability of a Medicaid or Maryland
23 Children's Health Program buy-in.

24 (c) On or before November 1, 2007, the Commission shall report on its study
25 and recommendations, in accordance with § 2-1246 of the State Government Article,
26 to the Senate Finance Committee and the House Health and Government Operations
27 Committee.

1 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall apply to
2 all policies, contracts, and health benefit plans issued, delivered, or renewed in the
3 State on or after October 1, 2007.

4 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
5 effect October 1, 2007.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.