

CHAPTER 639

(House Bill 1057)

AN ACT concerning

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

FOR the purpose of requiring certain health insurance policies or contracts to provide that the same health insurance benefits and eligibility guidelines that apply to covered dependents are available ~~on request to certain adult members and certain child members of the household~~, at the request of certain persons, to certain domestic partners and child dependents of domestic partners of the insured, ~~subscriber, employee, or member~~; authorizing insurers ~~and~~ nonprofit health service plans, and health maintenance organizations to require certain proof; requiring the Maryland Insurance Commissioner to adopt regulations to implement certain provisions of this Act; altering a certain requirement that a certain health insurance carrier notify certain parents of certain information; requiring the Maryland Insurance Commissioner to establish and publish a certain notice; requiring certain health insurance policies and contracts to provide for certain coverage for certain dependents under certain circumstances; requiring the Maryland Health Care Commission, in consultation with certain other State agencies, to study the rate at which certain young adults are uninsured and recommend ways to increase their health care coverage; requiring the Commission to report on its study and recommendations to certain legislative committees on or before a certain date; defining certain terms; providing that the provisions of this Act apply to health maintenance organizations; providing for the application of this Act; providing for the construction of this Act; and generally relating to health insurance coverage for household members under health insurance.

BY adding to

Article – Health – General

Section 19–706(jjj)

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

BY adding to

Article – Insurance

Section 15–403.2 ~~and 15–418~~

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 15–416

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

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

Article – Health – General

19–706.

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

Article – Insurance

15–403.2.

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

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

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

~~(II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE INSURED;~~

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

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

~~(II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF A COVERED EMPLOYEE OR MEMBER; AND~~

- ~~(3) EACH INDIVIDUAL SERVICE OR INDEMNITY CONTRACT THAT:~~
- ~~(I) IS ISSUED BY A NONPROFIT HEALTH SERVICE PLAN; AND~~
- ~~(II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE~~

~~SUBSCRIBER.~~

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

~~(2) "CHILD, "CHILD DEPENDENT OF THE DOMESTIC PARTNER" MEANS AN INDIVIDUAL WHO:~~

~~(I) (1) IS:~~

~~1. (I) THE NATURAL CHILD, STEPCHILD, ADOPTED CHILD, OR GRANDCHILD OF THE DOMESTIC PARTNER OF AN INSURED;~~

~~2. (II) A CHILD PLACED WITH THE DOMESTIC PARTNER OF AN INSURED FOR LEGAL ADOPTION; OR~~

~~3. (III) A CHILD WHO IS UNDER TESTAMENTARY OR COURT APPOINTED GUARDIANSHIP, OTHER THAN TEMPORARY GUARDIANSHIP OF LESS THAN 12 MONTHS' DURATION, OF THE DOMESTIC PARTNER OF AN INSURED;~~

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

~~(III) (3) RESIDES WITH THE INSURED;~~

~~(IV) (4) IS UNMARRIED; AND~~

~~(V) (5) IS UNDER THE AGE OF 25 YEARS.~~

~~(3) "DOMESTIC PARTNER" MEANS AN INDIVIDUAL IN A RELATIONSHIP BETWEEN TWO INDIVIDUALS WHO:~~

~~(I) ARE AT LEAST 18 YEARS OLD;~~

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

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

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

~~(V) SHARE A COMMON RESIDENCE.~~

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

(1) ALLOWS FAMILY COVERAGE; AND

(2) IS ISSUED BY:

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

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

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

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

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

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

(E) THE COMMISSIONER SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION.

15-416.

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

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

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

(2) provide information regarding:

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

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

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

15-418.

(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) "CHILD DEPENDENT" MEANS AN INDIVIDUAL WHO:

(I) IS:

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

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

3. A CHILD WHO IS ENTITLED TO DEPENDENT COVERAGE UNDER § 15-403.1 OF THIS ~~ARTICLE~~ SUBTITLE;

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

(III) IS UNMARRIED; AND

(IV) IS UNDER THE AGE OF 25 YEARS.

(B) (1) THIS SECTION APPLIES TO:

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

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

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

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

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

1. COVERAGE ONLY FOR LOSS CAUSED BY AN ACCIDENT;

2. DISABILITY COVERAGE;

3. CREDIT-ONLY INSURANCE; OR

4. LONG-TERM CARE COVERAGE; OR

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

1. DENTAL COVERAGE;

2. VISION COVERAGE;

3. MEDICARE SUPPLEMENT INSURANCE;

4. COVERAGE LIMITED TO BENEFITS FOR A SPECIFIED DISEASE OR DISEASES; ~~AND~~

5. TRAVEL ACCIDENT OR SICKNESS ~~COVERAGE~~ COVERAGE; AND

6. FIXED INDEMNITY LIMITED BENEFIT INSURANCE THAT DOES NOT PROVIDE BENEFITS ON AN EXPENSE INCURRED BASIS.

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

(1) INCLUDE COVERAGE FOR A CHILD DEPENDENT;

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That:

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

(b) The study shall:

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

(2) examine in particular:

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

(ii) the feasibility and desirability of a Medicaid or Maryland Children's Health Program buy-in, including any potential for adverse selection that such a buy-in might create.

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

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after ~~October 1, 2007~~ January 1, 2008.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act may not be construed in any way:

(1) that conflicts with the public policy of the State that recognizes a valid marriage to be only a marriage between a man and a woman; or

(2) to establish a civil union in this State.

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

Approved by the Governor, May 17, 2007.