

SENATE BILL 476

P4, C3, J4

(8lr2532)

ENROLLED BILL

—Finance/Appropriations—

Introduced by **Senator Madaleno**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Department of Budget and Management – Health and Welfare Benefits**
3 **Program – Information from and Liability of Health Insurance Carriers**

4 FOR the purpose of requiring certain health insurance carriers to provide certain
5 information in a certain manner to the Department of Budget and Management,
6 at the request of the Department, about individuals who are eligible for benefits
7 under the State Employee and Retiree Health and Welfare Benefits Program or
8 are Program recipients; requiring certain health insurance carriers to accept the
9 Program’s right of recovery and the assignment to the Program of certain rights
10 under certain circumstances; prohibiting certain health insurance carriers from
11 denying or otherwise affecting a health insurance policy or contract due to the
12 eligibility of an individual for Program benefits or receipt by an individual of
13 benefits under the Program; *providing that certain provisions of this Act do not*
14 *apply to certain health insurance policies and contracts*; defining a certain term;

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.

Italics indicate opposite chamber / conference committee amendments.



1 and generally relating to health insurance carriers and the State Employee and
2 Retiree Health and Welfare Benefits Program.

3 BY adding to
4 Article – Health – General
5 Section 19–706(ppp)
6 Annotated Code of Maryland
7 (2005 Replacement Volume and 2007 Supplement)

8 BY adding to
9 Article – State Personnel and Pensions
10 Section 2–517
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2007 Supplement)

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

15 **Article – Health – General**

16 19–706.

17 **(PPP) THE PROVISIONS OF § 2–517 OF THE STATE PERSONNEL AND**
18 **PENSIONS ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

19 **Article – State Personnel and Pensions**

20 **2–517.**

21 **(A) IN THIS SECTION, “CARRIER” MEANS:**

- 22 **(1) A HEALTH INSURER;**
23 **(2) A NONPROFIT HEALTH SERVICE PLAN;**
24 **(3) A HEALTH MAINTENANCE ORGANIZATION; AND**
25 **(4) A DENTAL PLAN ORGANIZATION.**

26 **(B) THIS SECTION DOES NOT APPLY TO A FIXED INDEMNITY HEALTH**
27 **INSURANCE POLICY OR CONTRACT IF THE PREMIUMS ARE PAID SOLELY BY AN**
28 **INDIVIDUAL.**

29 ~~(B)~~ **(C) (1) A CARRIER SHALL PROVIDE, AT THE REQUEST OF THE**
30 **DEPARTMENT, INFORMATION ABOUT INDIVIDUALS WHO ARE ELIGIBLE FOR**
31 **BENEFITS UNDER THE PROGRAM OR ARE PROGRAM RECIPIENTS SO THAT THE**

1 DEPARTMENT MAY DETERMINE WHETHER THE INDIVIDUAL IS RECEIVING
 2 HEALTH CARE COVERAGE FROM THE CARRIER AND THE NATURE OF THAT
 3 COVERAGE.

4 (2) A CARRIER SHALL PROVIDE THE INFORMATION REQUIRED
 5 UNDER THIS SUBSECTION IN A MANNER PRESCRIBED BY THE DEPARTMENT, IN
 6 ACCORDANCE WITH THE STANDARD DATA ELEMENTS FOR STANDARD
 7 TRANSACTIONS REQUIRED UNDER 42 U.S.C. § 1320D-4 AS ADOPTED BY THE
 8 SECRETARY OF HEALTH AND HUMAN SERVICES.

9 ~~(C)~~ (D) A CARRIER SHALL ACCEPT THE PROGRAM'S RIGHT OF
 10 RECOVERY AND THE ASSIGNMENT TO THE PROGRAM OF ANY RIGHT OF AN
 11 INDIVIDUAL OR OTHER ENTITY TO PAYMENT FROM THE CARRIER FOR AN ITEM
 12 OR SERVICE FOR WHICH PAYMENT HAS BEEN MADE UNDER THE PROGRAM IF
 13 THE CARRIER HAS A LEGAL OBLIGATION TO MAKE PAYMENT FOR THE ITEM OR
 14 SERVICE.

15 ~~(D)~~ (E) A CARRIER MAY NOT REJECT, DENY, LIMIT, CANCEL, REFUSE
 16 TO RENEW, INCREASE THE RATES OF, AFFECT THE TERMS OR CONDITIONS OF,
 17 OR OTHERWISE AFFECT A HEALTH INSURANCE POLICY OR CONTRACT FOR A
 18 REASON BASED WHOLLY OR PARTLY ON:

19 (1) THE ELIGIBILITY OF AN INDIVIDUAL TO RECEIVE BENEFITS
 20 UNDER THE PROGRAM; OR

21 (2) THE RECEIPT BY AN INDIVIDUAL OF BENEFITS UNDER THE
 22 PROGRAM.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 24 June 1, 2008.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.