

SENATE BILL 476

P4, C3, J4

8lr2532
CF 8lr2523

By: **Senator Madaleno**

Introduced and read first time: February 1, 2008

Assigned to: Finance

A BILL ENTITLED

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; defining a certain term; and generally relating to
14 health insurance carriers and the State Employee and Retiree Health and
15 Welfare Benefits Program.

16 BY adding to
17 Article – Health – General
18 Section 19–706(ppp)
19 Annotated Code of Maryland
20 (2005 Replacement Volume and 2007 Supplement)

21 BY adding to
22 Article – State Personnel and Pensions
23 Section 2–517
24 Annotated Code of Maryland
25 (2004 Replacement Volume and 2007 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Health – General**

2 19–706.

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

5 **Article – State Personnel and Pensions**

6 **2–517.**

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

8 **(1) A HEALTH INSURER;**

9 **(2) A NONPROFIT HEALTH SERVICE PLAN;**

10 **(3) A HEALTH MAINTENANCE ORGANIZATION; AND**

11 **(4) A DENTAL PLAN ORGANIZATION.**

12 **(B) (1) A CARRIER SHALL PROVIDE, AT THE REQUEST OF THE**
13 **DEPARTMENT, INFORMATION ABOUT INDIVIDUALS WHO ARE ELIGIBLE FOR**
14 **BENEFITS UNDER THE PROGRAM OR ARE PROGRAM RECIPIENTS SO THAT THE**
15 **DEPARTMENT MAY DETERMINE WHETHER THE INDIVIDUAL IS RECEIVING**
16 **HEALTH CARE COVERAGE FROM THE CARRIER AND THE NATURE OF THAT**
17 **COVERAGE.**

18 **(2) A CARRIER SHALL PROVIDE THE INFORMATION REQUIRED**
19 **UNDER THIS SUBSECTION IN A MANNER PRESCRIBED BY THE DEPARTMENT.**

20 **(C) A CARRIER SHALL ACCEPT THE PROGRAM’S RIGHT OF RECOVERY**
21 **AND THE ASSIGNMENT TO THE PROGRAM OF ANY RIGHT OF AN INDIVIDUAL OR**
22 **OTHER ENTITY TO PAYMENT FROM THE CARRIER FOR AN ITEM OR SERVICE FOR**
23 **WHICH PAYMENT HAS BEEN MADE UNDER THE PROGRAM IF THE CARRIER HAS A**
24 **LEGAL OBLIGATION TO MAKE PAYMENT FOR THE ITEM OR SERVICE.**

25 **(D) A CARRIER MAY NOT REJECT, DENY, LIMIT, CANCEL, REFUSE TO**
26 **RENEW, INCREASE THE RATES OF, AFFECT THE TERMS OR CONDITIONS OF, OR**
27 **OTHERWISE AFFECT A HEALTH INSURANCE POLICY OR CONTRACT FOR A**
28 **REASON BASED WHOLLY OR PARTLY ON:**

29 **(1) THE ELIGIBILITY OF AN INDIVIDUAL TO RECEIVE BENEFITS**
30 **UNDER THE PROGRAM; OR**

1 (2) **THE RECEIPT BY AN INDIVIDUAL OF BENEFITS UNDER THE**
2 **PROGRAM.**

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