SENATE BILL 476

P4, C3, J4

8lr2532
CF HB 1045

By: **Senator Madaleno**
Introduced and read first time: February 1, 2008
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: February 26, 2008

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; 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

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   (2004 Replacement Volume and 2007 Supplement)

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

4   **Article – Health – General**

5   19–706.

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

8   **Article – State Personnel and Pensions**

9   **2–517.**

10   (A)   IN THIS SECTION, "CARRIER" MEANS:

11   (1)   A HEALTH INSURER;

12   (2)   A NONPROFIT HEALTH SERVICE PLAN;

13   (3)   A HEALTH MAINTENANCE ORGANIZATION; AND

14   (4)   A DENTAL PLAN ORGANIZATION.

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

21   (2)   A CARRIER SHALL PROVIDE THE INFORMATION REQUIRED
22   UNDER THIS SUBSECTION IN A MANNER PRESCRIBED BY THE DEPARTMENT, IN
23   ACCORDANCE WITH THE STANDARD DATA ELEMENTS FOR STANDARD
24   TRANSACTIONS REQUIRED UNDER 42 U.S.C. § 1320D–4 AS ADOPTED BY THE
25   SECRETARY OF HEALTH AND HUMAN SERVICES.

26   (C)   A CARRIER SHALL ACCEPT THE PROGRAM'S RIGHT OF RECOVERY
27   AND THE ASSIGNMENT TO THE PROGRAM OF ANY RIGHT OF AN INDIVIDUAL OR
28   OTHER ENTITY TO PAYMENT FROM THE CARRIER FOR AN ITEM OR SERVICE FOR
29   WHICH PAYMENT HAS BEEN MADE UNDER THE PROGRAM IF THE CARRIER HAS A
30   LEGAL OBLIGATION TO MAKE PAYMENT FOR THE ITEM OR SERVICE.

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

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

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

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

Approved:

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                                                Governor.

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                              President of the Senate.

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                        Speaker of the House of Delegates.