

HOUSE BILL 1538

C3

9lr3316

By: **Delegate Rudolph**

Introduced and read first time: March 9, 2009

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – High Deductible Plans and Limited Benefit Plans for**
3 **Uninsured Individuals – Chesapeake Region Pilot Project**

4 FOR the purpose of authorizing a nonprofit health service plan to issue a certain high
5 deductible health plan to certain uninsured individuals who are residents of
6 certain counties under certain circumstances; authorizing a nonprofit health
7 service plan to issue a certain limited benefit health insurance contract to
8 certain uninsured individuals who are residents of certain counties under
9 certain circumstances; requiring a limited benefit health insurance contract to
10 comply with certain requirements applicable to a certain health benefit plan
11 and to comply with certain provisions of law; requiring a nonprofit health
12 service plan to make a certain disclosure about a certain limited benefit health
13 insurance contract in a certain manner; defining certain terms; providing for
14 the applicability of this Act; providing for the termination of this Act; and
15 generally relating to high deductible health plans and limited benefit health
16 insurance contracts offered by nonprofit health service plans to certain
17 uninsured individuals who are residents of certain counties.

18 BY adding to

19 Article – Insurance

20 Section 14–128

21 Annotated Code of Maryland

22 (2006 Replacement Volume and 2008 Supplement)

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

25 **Article – Insurance**

26 **14–128.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 (2) “EVIDENCE OF INDIVIDUAL INSURABILITY” MEANS MEDICAL
4 OR OTHER INFORMATION THAT INDICATES HEALTH STATUS AND THAT IS USED
5 TO DETERMINE WHETHER COVERAGE OF AN INDIVIDUAL IS TO BE:

6 (I) ISSUED OR DENIED; OR

7 (II) ISSUED WITH OR WITHOUT AN EXCLUSIONARY RIDER.

8 (3) “HEALTH BENEFIT PLAN” HAS THE MEANING STATED IN §
9 15-1301 OF THIS ARTICLE.

10 (4) “HIGH DEDUCTIBLE HEALTH PLAN” MEANS AN INDIVIDUAL
11 HEALTH INSURANCE CONTRACT THAT SATISFIES THE REQUIREMENTS SET
12 FORTH IN § 223 OF THE INTERNAL REVENUE CODE.

13 (5) “INDIVIDUAL HEALTH INSURANCE CONTRACT” MEANS A
14 HEALTH BENEFIT PLAN THAT IS ISSUED OR DELIVERED IN THE STATE TO A
15 QUALIFYING INDIVIDUAL WITHOUT EVIDENCE OF INDIVIDUAL INSURABILITY.

16 (6) “LIMITED BENEFIT HEALTH INSURANCE CONTRACT” MEANS
17 AN INDIVIDUAL HEALTH INSURANCE CONTRACT THAT PROVIDES HEALTH
18 INSURANCE BENEFITS, BUT IS NOT REQUIRED TO PROVIDE ALL THE BENEFITS
19 REQUIRED UNDER TITLE 15, SUBTITLES 7 AND 8 OF THIS ARTICLE.

20 (7) “QUALIFYING INDIVIDUAL” MEANS AN INDIVIDUAL WHO:

21 (I) IS A RESIDENT OF CECIL COUNTY, HARFORD COUNTY,
22 OR KENT COUNTY;

23 (II) DOES NOT QUALIFY FOR:

24 1. A PUBLIC OR PRIVATE HEALTH BENEFIT PLAN;

25 2. AN EMPLOYER-SPONSORED HEALTH BENEFIT
26 PLAN;

27 3. MEDICARE;

28 4. MEDICAID; OR

29 5. TRICARE; AND

1 (III) HAS BEEN UNINSURED FOR AT LEAST 12 MONTHS
2 IMMEDIATELY BEFORE THE DATE THE INDIVIDUAL APPLIES FOR COVERAGE
3 UNDER:

- 4 1. A HIGH DEDUCTIBLE HEALTH PLAN; OR
5 2. A LIMITED BENEFIT HEALTH INSURANCE
6 CONTRACT.

7 (B) A HIGH DEDUCTIBLE HEALTH PLAN MAY BE ISSUED BY A
8 NONPROFIT HEALTH SERVICE PLAN IF THE HIGH DEDUCTIBLE HEALTH PLAN IS
9 ISSUED TO PROVIDE HEALTH COVERAGE ONLY FOR:

- 10 (1) QUALIFYING INDIVIDUALS; OR
11 (2) QUALIFYING INDIVIDUALS AND THEIR DEPENDENTS.

12 (C) (1) A LIMITED BENEFIT HEALTH INSURANCE CONTRACT MAY BE
13 ISSUED BY A NONPROFIT HEALTH SERVICE PLAN IF THE LIMITED BENEFIT
14 HEALTH INSURANCE CONTRACT IS ISSUED TO PROVIDE HEALTH COVERAGE
15 ONLY FOR:

- 16 (I) QUALIFYING INDIVIDUALS; OR
17 (II) QUALIFYING INDIVIDUALS AND THEIR DEPENDENTS.

18 (2) A LIMITED BENEFIT HEALTH INSURANCE CONTRACT SHALL
19 COMPLY WITH ALL REQUIREMENTS APPLICABLE TO A HEALTH BENEFIT PLAN
20 ISSUED BY A NONPROFIT HEALTH SERVICE PLAN EXCEPT THE PROVISIONS OF
21 TITLE 15, SUBTITLES 7 AND 8 OF THIS ARTICLE.

22 (3) NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, A
23 LIMITED BENEFIT HEALTH INSURANCE CONTRACT SHALL COMPLY WITH §§
24 15-802, 15-812, 15-815, 15-830, 15-831, 15-832, AND 15-833 OF THIS
25 ARTICLE.

26 (4) A NONPROFIT HEALTH SERVICE PLAN SHALL DISCLOSE IN
27 THE LIMITED BENEFIT HEALTH INSURANCE CONTRACT AND IN ENROLLMENT
28 MATERIAL PROVIDED TO EACH QUALIFYING INDIVIDUAL THAT THE LIMITED
29 BENEFIT HEALTH INSURANCE CONTRACT DOES NOT PROVIDE COMPREHENSIVE
30 HEALTH COVERAGE OR ALL THE BENEFITS REQUIRED IN A HEALTH INSURANCE
31 CONTRACT ISSUED IN THE STATE THAT IS NOT A LIMITED BENEFIT HEALTH
32 INSURANCE CONTRACT.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
2 high deductible health plans and all limited benefit health insurance contracts that
3 are issued or delivered by a nonprofit health service plan in the State on or after
4 July 1, 2009.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2009. It shall remain effective for a period of 3 years and, at the end of June 30,
7 2012, with no further action required by the General Assembly, this Act shall be
8 abrogated and of no further force and effect.