

HOUSE BILL 1538

C3

9lr3316

By: ~~Delegate Rudolph~~ Delegates Rudolph, Benson, Bromwell, Donoghue, Elliott, Hammen, Hubbard, Kach, Kipke, Krebs, Kullen, McDonough, Morhaim, Nathan-Pulliam, Pena-Melnyk, Pendergrass, Riley, Tarrant, V. Turner, and Weldon

Introduced and read first time: March 9, 2009

Assigned to: Rules and Executive Nominations

Re-referred to: Health and Government Operations, March 16, 2009

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 25, 2009

CHAPTER _____

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~~ limit the
5 issuance of a certain high deductible health plan to certain uninsured
6 individuals who are residents of certain counties under certain circumstances;
7 authorizing a nonprofit health service plan to issue a certain limited benefit
8 health insurance contract to certain uninsured individuals who are residents of
9 certain counties under certain circumstances; requiring a limited benefit health
10 insurance contract to comply with certain requirements applicable to a certain
11 health benefit plan and to comply with certain provisions of law; requiring a
12 nonprofit health service plan to make a certain disclosure about a certain
13 limited benefit health insurance contract in a certain manner; requiring the
14 Maryland Insurance Administration, in consultation with a certain nonprofit
15 health service plan, to report certain information to the Governor and certain
16 legislative committees on or before a certain date; defining certain terms;
17 providing for the applicability of this Act; providing for the termination of this
18 Act; and generally relating to high deductible health plans and limited benefit
19 health insurance contracts offered by nonprofit health service plans to certain
20 uninsured individuals who are residents of certain counties.

21 BY adding to

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 Article – Insurance
2 Section 14–128
3 Annotated Code of Maryland
4 (2006 Replacement Volume and 2008 Supplement)

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

7 **Article – Insurance**

8 **14–128.**

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

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

14 (I) ISSUED OR DENIED; OR

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

16 (3) “HEALTH BENEFIT PLAN” HAS THE MEANING STATED IN §
17 15–1301 OF THIS ARTICLE.

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

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

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

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

29 (I) IS A RESIDENT OF CECIL COUNTY, HARFORD COUNTY,
30 OR KENT COUNTY;

31 (II) DOES NOT QUALIFY FOR:

- 1 1. A PUBLIC OR PRIVATE HEALTH BENEFIT PLAN;
- 2 2. AN EMPLOYER-SPONSORED HEALTH BENEFIT
- 3 PLAN;
- 4 3. MEDICARE;
- 5 4. MEDICAID; OR
- 6 5. TRICARE; AND

7 (III) HAS BEEN UNINSURED FOR AT LEAST 12 MONTHS
 8 IMMEDIATELY BEFORE THE DATE THE INDIVIDUAL APPLIES FOR COVERAGE
 9 UNDER:

- 10 1. A HIGH DEDUCTIBLE HEALTH PLAN; OR
- 11 2. A LIMITED BENEFIT HEALTH INSURANCE
- 12 CONTRACT.

13 ~~(B) A HIGH DEDUCTIBLE HEALTH PLAN MAY BE ISSUED BY A~~
 14 ~~NONPROFIT HEALTH SERVICE PLAN IF THE HIGH DEDUCTIBLE HEALTH PLAN IS~~
 15 ~~ISSUED TO PROVIDE HEALTH COVERAGE ONLY FOR:~~

16 (B) A NONPROFIT HEALTH SERVICE PLAN MAY LIMIT THE ISSUANCE OF
 17 A HIGH DEDUCTIBLE PLAN TO:

- 18 (1) QUALIFYING INDIVIDUALS; OR
- 19 (2) QUALIFYING INDIVIDUALS AND THEIR ~~DEPENDENTS~~ FAMILY
- 20 MEMBERS.

21 (C) (1) A LIMITED BENEFIT HEALTH INSURANCE CONTRACT MAY BE
 22 ISSUED BY A NONPROFIT HEALTH SERVICE PLAN IF THE LIMITED BENEFIT
 23 HEALTH INSURANCE CONTRACT IS ISSUED TO PROVIDE HEALTH COVERAGE
 24 ONLY FOR:

- 25 (I) QUALIFYING INDIVIDUALS; OR
- 26 (II) QUALIFYING INDIVIDUALS AND THEIR ~~DEPENDENTS~~
- 27 FAMILY MEMBERS.

28 (2) A LIMITED BENEFIT HEALTH INSURANCE CONTRACT SHALL
 29 COMPLY WITH ALL REQUIREMENTS APPLICABLE TO A HEALTH BENEFIT PLAN

1 ISSUED BY A NONPROFIT HEALTH SERVICE PLAN EXCEPT THE PROVISIONS OF
2 TITLE 15, SUBTITLES 7 AND 8 OF THIS ARTICLE.

3 (3) NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, A
4 LIMITED BENEFIT HEALTH INSURANCE CONTRACT SHALL COMPLY WITH §§
5 15-802, 15-812, 15-815, 15-830, 15-831, 15-832, AND 15-833 OF THIS
6 ARTICLE.

7 (4) A NONPROFIT HEALTH SERVICE PLAN SHALL DISCLOSE IN
8 THE LIMITED BENEFIT HEALTH INSURANCE CONTRACT AND IN ~~ENROLLMENT~~
9 MARKETING MATERIAL PROVIDED TO EACH QUALIFYING INDIVIDUAL THAT THE
10 LIMITED BENEFIT HEALTH INSURANCE CONTRACT DOES NOT PROVIDE
11 COMPREHENSIVE HEALTH COVERAGE OR ALL THE BENEFITS REQUIRED IN A
12 HEALTH INSURANCE CONTRACT ISSUED IN THE STATE THAT IS NOT A LIMITED
13 BENEFIT HEALTH INSURANCE CONTRACT.

14 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 1,
15 2012, the Maryland Insurance Administration, in consultation with a nonprofit health
16 service plan that issues high deductible health plans and limited benefit health
17 insurance contracts under § 14-128 of the Insurance Article, as enacted by Section 1 of
18 this Act, shall report to the Governor and, in accordance with § 2-1246 of the State
19 Government Article, the Senate Finance Committee and the House Health and
20 Government Operations Committee on:

21 (1) the number of individuals who receive health care coverage under
22 a plan or contract issued under § 14-128; and

23 (2) the potential to expand the pilot project established under this Act
24 to other jurisdictions of the State.

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

29 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
30 effect July 1, 2009. It shall remain effective for a period of 3 years and, at the end of
31 June 30, 2012, with no further action required by the General Assembly, this Act shall
32 be abrogated and of no further force and effect.