

SENATE BILL 135

C3

9lr1249
CF HB 75

By: **Senators Klausmeier, Exum, Forehand, Kelley, Lenett, Pugh, and Rosapepe**

Introduced and read first time: January 19, 2009

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Insurance Plan - Preexisting Condition Limitation**

3 FOR the purpose of prohibiting the Board of Directors of the Maryland Health
4 Insurance Plan from applying a preexisting condition limitation on Plan
5 coverage; repealing the authority of the Board to offer members an optional
6 endorsement to remove a preexisting condition limitation; repealing a provision
7 prohibiting the Plan from applying a preexisting condition exclusion to a certain
8 individual who applies for coverage under the Plan within a certain time period;
9 and generally relating to preexisting condition limitations under the Maryland
10 Health Insurance Plan.

11 BY repealing and reenacting, without amendments,
12 Article – Insurance
13 Section 14–502(a) and 14–505(h)
14 Annotated Code of Maryland
15 (2006 Replacement Volume and 2008 Supplement)

16 BY repealing
17 Article – Insurance
18 Section 14–505(j)
19 Annotated Code of Maryland
20 (2006 Replacement Volume and 2008 Supplement)

21 BY adding to
22 Article – Insurance
23 Section 14–505(j)
24 Annotated Code of Maryland
25 (2006 Replacement Volume and 2008 Supplement)

26 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Insurance
2 Section 14–508
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 14–502.

9 (a) There is a Maryland Health Insurance Plan.

10 14–505.

11 (h) (1) The Board shall establish a premium rate for Plan coverage subject
12 to review and approval by the Commissioner.

13 (2) The premium rate may vary on the basis of family composition.

14 (3) If the Board determines that a standard risk rate would create
15 market dislocation, the Board may adjust the premium rate based on member age.

16 (4) The Board may charge different premiums based on the benefit
17 package delivery system or cost-sharing arrangement when more than one benefit
18 package delivery system or cost-sharing arrangement is offered.

19 [(j) (1) Notwithstanding the provisions of subsection (h) of this section, if
20 the Board has implemented a preexisting condition limitation, the Board may offer
21 members an optional endorsement to remove the preexisting condition limitation.

22 (2) The Board may charge an actuarially justified additional premium
23 amount in addition to the premium rate for the standard benefit package for the
24 optional endorsement under paragraph (1) of this subsection.

25 (3) An amount charged in addition to the premium rate for the
26 standard benefit package for the optional endorsement under paragraph (1) of this
27 subsection shall be subject to review and approval by the Commissioner.]

28 **(J) THE BOARD MAY NOT APPLY A PREEXISTING CONDITION**
29 **LIMITATION ON PLAN COVERAGE.**

30 14–508.

1 (a) The Plan shall be the alternative mechanism for eligible individuals
2 under the federal Health Insurance Portability and Accountability Act in accordance
3 with 45 C.F.R. 148.128.

4 (b) [The Plan may not apply a preexisting condition exclusion to an eligible
5 individual who applies for coverage under the Plan within 63 days of terminating prior
6 creditable coverage.

7 (c)] If the Board imposes a limit on the number of individuals who can
8 participate in the Plan, the limit may not be applied to HIPAA eligible individuals.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2009.