

HOUSE BILL 1178

C3, J1

11r2835
CF SB 850

By: ~~Delegates Tarrant, Kach, Bromwell, Krebs, Murphy, Reznik, and Walker~~
Walker, Donoghue, Frank, Nathan-Pulliam, Oaks, Pena-Melnyk, and Pendergrass

Introduced and read first time: February 16, 2011

Assigned to: Rules and Executive Nominations

Re-referred to: Health and Government Operations, February 28, 2011

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 23, 2011

CHAPTER _____

1 AN ACT concerning

2 ~~Health Insurance – Public Health Plans – Education and Disclosure~~

3 ~~Requirements~~

4 Licensed Insurance Producers – Information on State Health Programs

5 FOR the purpose of ~~requiring that, in the case of an applicant for a license as an~~
6 ~~insurance producer for health insurance, a certain program of studies shall~~
7 ~~include a course designed to familiarize the applicant with certain public health~~
8 ~~plans available to residents of the State; requiring certain applicants to pass a~~
9 ~~certain examination to determine the familiarity of the applicant with certain~~
10 ~~public health plans; requiring certain insurance producers to receive continuing~~
11 ~~education that directly relates to certain public health plans; requiring~~
12 ~~authorizing a licensed insurance producer to provide to a certain small employer~~
13 ~~information about certain public health plans on a certain form and at a certain~~
14 ~~time~~ State health programs in accordance with regulations adopted by the
15 Maryland Insurance Commissioner; requiring a certain small employer, under
16 certain circumstances, to agree to provide information about certain public
17 health plans on a certain form and to certain employees; defining a certain
18 term; and generally relating to education and disclosure requirements relating
19 to public health plans and generally relating to licensed insurance producers
20 and information on State health programs.

21 ~~BY repealing and reenacting, without amendments,~~

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 10-101(a), 10-105(c)(1), and 10-116(a)(1) and (4)(i)~~
 3 ~~Annotated Code of Maryland~~
 4 ~~(2003 Replacement Volume and 2010 Supplement)~~

5 ~~BY adding to~~
 6 ~~Article – Insurance~~
 7 ~~Section 10-101(h-1), 10-105(e)(5), and 10-116(a)(4)(v)~~
 8 ~~Annotated Code of Maryland~~
 9 ~~(2003 Replacement Volume and 2010 Supplement)~~

10 ~~BY repealing and reenacting, with amendments,~~
 11 ~~Article – Insurance~~
 12 ~~Section 10-100(b)(1)~~
 13 ~~Annotated Code of Maryland~~
 14 ~~(2003 Replacement Volume and 2010 Supplement)~~

15 BY adding to
 16 Article – Insurance
 17 Section 15-1206(h)
 18 Annotated Code of Maryland
 19 (2006 Replacement Volume and 2010 Supplement)

20 ~~BY repealing and reenacting, with amendments,~~
 21 ~~Article – Insurance~~
 22 ~~Section 15-1209(e)~~
 23 ~~Annotated Code of Maryland~~
 24 ~~(2006 Replacement Volume and 2010 Supplement)~~

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

27 **Article – Insurance**

28 ~~10-101.~~

29 ~~(a) In this subtitle the following words have the meanings indicated.~~

30 ~~(H-1) “PUBLIC HEALTH PLAN” MEANS:~~

31 ~~(1) THE MARYLAND MEDICAL ASSISTANCE PROGRAM;~~

32 ~~(2) THE MARYLAND CHILDREN’S HEALTH INSURANCE PLAN;~~

33 ~~AND~~

~~(3) ANY OTHER SIMILAR STATE PLAN OR PROGRAM SPECIFIED IN REGULATIONS ADOPTED BY THE COMMISSIONER, IN CONSULTATION WITH THE SECRETARY OF HEALTH AND MENTAL HYGIENE.~~

~~10-105.~~

~~(e) (1) So that the applicant is reasonably familiar with the kind or subdivision of insurance for which the applicant wants to be licensed:~~

~~(i) the applicant must complete successfully a program of studies that has been established or approved by the Commissioner;~~

~~(ii) during the 3 years immediately preceding the date of application, the applicant must have been employed regularly for periods totaling at least 1 year:~~

~~1. by the Administration as an employee or by an insurer or insurance producer; and~~

~~2. in responsible insurance duties in connection with the kind or subdivision of insurance for which the applicant wants to be licensed; or~~

~~(iii) during the 3 years immediately preceding the date of entering or immediately after discharge from the armed forces of the United States, the applicant must have been employed regularly for periods totaling at least 1 year:~~

~~1. by an insurer or insurance producer; and~~

~~2. in connection with the kind or subdivision of insurance for which the applicant wants to be licensed.~~

~~(5) IN THE CASE OF AN APPLICANT FOR A LICENSE AS AN INSURANCE PRODUCER FOR HEALTH INSURANCE, THE PROGRAM OF STUDIES REQUIRED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION SHALL INCLUDE A COURSE DESIGNED TO FAMILIARIZE THE APPLICANT WITH PUBLIC HEALTH PLANS AVAILABLE TO RESIDENTS OF THE STATE.~~

~~10-109.~~

~~(b) (1) Each individual applicant must pass a personal written examination to determine:~~

~~(i) the competence of the applicant as to life insurance, health insurance, or annuities or to any subdivision of them, including contracts for nonprofit health service plans, vision plans, dental plan organizations, and health maintenance organizations; [and]~~

1 (ii) ~~the familiarity of the applicant with the applicable laws of~~
2 ~~the State; AND~~

3 ~~(iii) THE FAMILIARITY OF THE APPLICANT WITH PUBLIC~~
4 ~~HEALTH PLANS AVAILABLE TO RESIDENTS OF THE STATE.~~

5 ~~10-116.~~

6 (a) (1) ~~Subject to subsections (b) and (c) of this section, the Commissioner~~
7 ~~shall require an insurance producer to receive continuing education as a condition of~~
8 ~~renewing the license of the insurance producer.~~

9 (4) (i) ~~To increase the level of education of insurance producers, an~~
10 ~~insurance producer shall obtain continuing education in the kind or subdivision of~~
11 ~~insurance for which the insurance producer has received a license.~~

12 ~~(v) EACH INSURANCE PRODUCER WHO POSSESSES A~~
13 ~~LICENSE TO SELL HEALTH INSURANCE SHALL RECEIVE CONTINUING~~
14 ~~EDUCATION THAT DIRECTLY RELATES TO PUBLIC HEALTH PLANS AVAILABLE TO~~
15 ~~RESIDENTS OF THE STATE.~~

16 ~~15-1206.~~

17 (H) (1) ~~IN THIS SUBSECTION, "PUBLIC HEALTH PLAN" HAS THE~~
18 ~~MEANING STATED IN § 10-101 OF THIS ARTICLE.~~

19 ~~(2) A LICENSED INSURANCE PRODUCER SHALL PROVIDE TO A~~
20 ~~SMALL EMPLOYER INFORMATION ABOUT PUBLIC HEALTH PLANS AVAILABLE TO~~
21 ~~RESIDENTS OF THE STATE.~~

22 ~~(3) THE INFORMATION SHALL BE PROVIDED:~~

23 ~~(i) ON A FORM APPROVED BY THE COMMISSIONER; AND~~

24 ~~(ii) AT THE TIME THE SMALL EMPLOYER ENROLLS IN A~~
25 ~~HEALTH BENEFIT PLAN SOLD TO THE SMALL EMPLOYER BY THE LICENSED~~
26 ~~INSURANCE PRODUCER IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE~~
27 ~~COMMISSIONER, A LICENSED INSURANCE PRODUCER MAY PROVIDE TO A SMALL~~
28 ~~EMPLOYER INFORMATION ABOUT THE MARYLAND MEDICAL ASSISTANCE~~
29 ~~PROGRAM AND THE MARYLAND CHILDREN'S HEALTH PROGRAM FOR THE~~
30 ~~SMALL EMPLOYER TO DISTRIBUTE TO ITS EMPLOYEES DURING THE~~
31 ~~ENROLLMENT PERIOD.~~

1 **(2) THE INFORMATION PROVIDED UNDER PARAGRAPH (1) OF**
 2 **THIS SUBSECTION SHALL BE RESTRICTED TO GENERAL INFORMATION ABOUT**
 3 **THE MARYLAND MEDICAL ASSISTANCE PROGRAM AND THE MARYLAND**
 4 **CHILDREN'S HEALTH PROGRAM, INCLUDING:**

5 **(I) INCOME ELIGIBILITY THRESHOLDS; AND**

6 **(II) APPLICATION INSTRUCTIONS.**

7 ~~15-1209.~~

8 ~~(e) (1) Nothing in this subsection requires a small employer to contribute~~
 9 ~~to the premium payments for coverage of a dependent of an eligible employee.~~

10 ~~(2) To be covered under a health benefit plan offered by a carrier, a~~
 11 ~~small employer shall:~~

12 ~~(i) elect to be covered;~~

13 ~~(ii) agree to pay the premiums;~~

14 ~~(iii) agree to offer coverage to any dependent of an eligible~~
 15 ~~employee when coverage is sought by the eligible employee, in accordance with~~
 16 ~~provisions governing late enrollees and any other provisions of this subtitle that apply~~
 17 ~~to coverage;~~

18 ~~(iv) agree to collect payments for premiums through payroll~~
 19 ~~deductions for coverage of eligible employees and dependents and transmit those~~
 20 ~~payments to the carrier; and~~

21 ~~(v) satisfy other reasonable provisions of the health benefit plan~~
 22 ~~as approved by the Commissioner.~~

23 **(3) (I) IN THIS PARAGRAPH, "PUBLIC HEALTH PLAN" HAS THE**
 24 **MEANING STATED IN § 10-101 OF THIS ARTICLE.**

25 ~~(II) IN ADDITION TO THE REQUIREMENTS UNDER~~
 26 ~~PARAGRAPH (2) OF THIS SUBSECTION, TO BE COVERED UNDER A HEALTH~~
 27 ~~BENEFIT PLAN OFFERED BY A CARRIER, A SMALL EMPLOYER SHALL AGREE TO~~
 28 ~~PROVIDE INFORMATION ABOUT PUBLIC HEALTH PLANS AVAILABLE TO~~
 29 ~~RESIDENTS OF THE STATE:~~

30 ~~1. ON A FORM APPROVED BY THE COMMISSIONER;~~
 31 ~~AND~~

1 ~~2. TO ELIGIBLE EMPLOYEES OF THE SMALL~~
2 ~~EMPLOYER WHO ELECT NOT TO BE COVERED UNDER THE SMALL EMPLOYER'S~~
3 ~~HEALTH BENEFIT PLAN AND HAVE NO OTHER HEALTH INSURANCE COVERAGE.~~

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.