

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 122

(Delegate Morhaim, *et al.*)

Health and Government Operations

Finance

Health Insurance - Coverage for Young Adults

This bill requires a health insurer, nonprofit health service plan, and HMO (carrier), at least 60 days before a child age 19 or older who is covered under a parent's policy as a full-time student attains the limiting age in the policy, to notify the parent of the impending loss of the child's coverage and provide information regarding: (1) any of the carrier's other policies that may be available to the child; and (2) the availability of additional information from the Maryland Insurance Administration (MIA) regarding individual policies.

MIA must provide on its web site and in printed form, upon request, a list of carriers, including their contact information, that offer health benefit plans in the State.

Fiscal Summary

State Effect: MIA could handle the distribution of carrier information with existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A health insurance policy, group health insurance policy, and nonprofit health service plan contract must provide coverage to certain family members. These members include: (1) subject to certain age restrictions, a dependent child, grandchild, or

other minor for whom guardianship has been granted to the insured or member; and (2) regardless of age, a dependent child, grandchild, or other individual for whom guardianship has been granted to the insured or member, and who is incapable of self-support because of a mental or physical incapacity. In addition, an insurer, HMO, or nonprofit health service plan must provide coverage to a child for whom a Qualified Medical Support Order has been issued to an insured or member.

An HMO is subject to the provisions of 15-401, 15-402, 15-403, 15-403.1, and 15-405 of the Insurance Article as they relate to children's insurance coverage.

Background: While approximately 13% of Marylanders were uninsured in 2002, about 27% of young adults between 18 and 29 years of age lacked health insurance coverage. The most accessible health insurance for working people is employer-sponsored coverage. However, about 75% of young adults do not have access to employer-sponsored health insurance through their jobs. When offered coverage, younger workers are only slightly less likely than older workers to choose to participate.

Uninsured rates among young adults vary widely based on race or sex. Young men are less likely than women to have insurance, and minorities are less likely than whites to have coverage. Among African American men in this age group who are not in school full-time, 47% are uninsured. Among young Hispanic men not in school full-time, 62% are uninsured.

In fiscal 2003, the average age of a State retiree was 56, and the average age of a State employee was 44.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): *On Their Own, Young Adults Living Without Health Insurance*, The Commonwealth Fund (2000); U.S. Census Bureau; Department of Health and Mental Hygiene (Medicaid, Maryland Health Care Commission); Maryland Insurance Administration, *Annual Report, Fiscal 2003*, Department of Budget and Management (Office of Personnel Services and Benefits); Department of Legislative Services

Fiscal Note History: First Reader - January 26, 2004
ncs/ljm Revised - House Third Reader - March 24, 2004
Revised - Enrolled Bill - April 21, 2004

Analysis by: Susan D. John

Direct Inquiries to:
(410) 946-5510
(301) 970-5510