

## CHAPTER 407

(House Bill 1045)

AN ACT concerning

### **Department of Budget and Management – Health and Welfare Benefits Program – Information from and Liability of Health Insurance Carriers**

FOR the purpose of requiring certain health insurance carriers to provide certain information in a certain manner to the Department of Budget and Management, at the request of the Department, about individuals who are eligible for benefits under the State Employee and Retiree Health and Welfare Benefits Program or are Program recipients; requiring certain health insurance carriers to accept the Program's right of recovery and the assignment to the Program of certain rights under certain circumstances; prohibiting certain health insurance carriers from denying or otherwise affecting a health insurance policy or contract due to the eligibility of an individual for Program benefits or receipt by an individual of benefits under the Program; providing that certain provisions of this Act do not apply to certain health insurance policies and contracts; defining a certain term; and generally relating to health insurance carriers and the State Employee and Retiree Health and Welfare Benefits Program.

BY adding to

Article – Health – General  
Section 19–706(ppp)  
Annotated Code of Maryland  
(2005 Replacement Volume and 2007 Supplement)

BY adding to

Article – State Personnel and Pensions  
Section 2–517  
Annotated Code of Maryland  
(2004 Replacement Volume and 2007 Supplement)

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

#### **Article – Health – General**

19–706.

**(PPP) THE PROVISIONS OF § 2–517 OF THE STATE PERSONNEL AND PENSIONS ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

**Article – State Personnel and Pensions**

**2-517.**

**(A) IN THIS SECTION, “CARRIER” MEANS:**

- (1) A HEALTH INSURER;**
- (2) A NONPROFIT HEALTH SERVICE PLAN;**
- (3) A HEALTH MAINTENANCE ORGANIZATION; AND**
- (4) A DENTAL PLAN ORGANIZATION.**

**(B) THIS SECTION DOES NOT APPLY TO A FIXED INDEMNITY HEALTH INSURANCE POLICY OR CONTRACT IF THE PREMIUMS ARE PAID SOLELY BY AN INDIVIDUAL.**

~~(B)~~ **(C)** (1) A CARRIER SHALL PROVIDE, AT THE REQUEST OF THE DEPARTMENT, INFORMATION ABOUT INDIVIDUALS WHO ARE ELIGIBLE FOR BENEFITS UNDER THE PROGRAM OR ARE PROGRAM RECIPIENTS SO THAT THE DEPARTMENT MAY DETERMINE WHETHER THE INDIVIDUAL IS RECEIVING HEALTH CARE COVERAGE FROM THE CARRIER AND THE NATURE OF THAT COVERAGE.

(2) A CARRIER SHALL PROVIDE THE INFORMATION REQUIRED UNDER THIS SUBSECTION IN A MANNER PRESCRIBED BY THE DEPARTMENT, **IN ACCORDANCE WITH THE STANDARD DATA ELEMENTS FOR STANDARD TRANSACTIONS REQUIRED UNDER 42 U.S.C. § 1320D-4 AS ADOPTED BY THE SECRETARY OF HEALTH AND HUMAN SERVICES.**

~~(C)~~ **(D)** A CARRIER SHALL ACCEPT THE PROGRAM’S RIGHT OF RECOVERY AND THE ASSIGNMENT TO THE PROGRAM OF ANY RIGHT OF AN INDIVIDUAL OR OTHER ENTITY TO PAYMENT FROM THE CARRIER FOR AN ITEM OR SERVICE FOR WHICH PAYMENT HAS BEEN MADE UNDER THE PROGRAM IF THE CARRIER HAS A LEGAL OBLIGATION TO MAKE PAYMENT FOR THE ITEM OR SERVICE.

~~(D)~~ **(E)** A CARRIER MAY NOT REJECT, DENY, LIMIT, CANCEL, REFUSE TO RENEW, INCREASE THE RATES OF, AFFECT THE TERMS OR CONDITIONS OF, OR OTHERWISE AFFECT A HEALTH INSURANCE POLICY OR CONTRACT FOR A REASON BASED WHOLLY OR PARTLY ON:

**(1) THE ELIGIBILITY OF AN INDIVIDUAL TO RECEIVE BENEFITS UNDER THE PROGRAM; OR**

**(2) THE RECEIPT BY AN INDIVIDUAL OF BENEFITS UNDER THE PROGRAM.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2008.

**Approved by the Governor, May 13, 2008.**