

SENATE BILL 850

C3, J1

11r2627
CF HB 1178

By: **Senator Middleton**

Introduced and read first time: February 14, 2011

Assigned to: Rules

Re-referred to: Finance, February 18, 2011

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 28, 2011

CHAPTER _____

1 AN ACT concerning

2 ~~Health Insurance – Public Health Plans – Education and Disclosure~~
3 ~~Requirements~~ Licensed Insurance Producers – Information on State Health
4 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,~~
22 Article – Insurance
23 Section 10-101(a), 10-105(c)(1), and 10-116(a)(1) and (4)(i)

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 ~~Annotated Code of Maryland~~
2 ~~(2003 Replacement Volume and 2010 Supplement)~~

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

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

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

18 ~~BY repealing and reenacting, with amendments,~~
19 ~~Article – Insurance~~
20 ~~Section 15-1200(e)~~
21 ~~Annotated Code of Maryland~~
22 ~~(2006 Replacement Volume and 2010 Supplement)~~

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

25 **Article – Insurance**

26 ~~10-101~~

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

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

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

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

31 ~~AND~~

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

1 ~~10-105.~~

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

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

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

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

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

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

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

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

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

24 ~~10-109.~~

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

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

31 ~~(ii) the familiarity of the applicant with the applicable laws of~~
 32 ~~the State; AND~~

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

~~10-116.~~

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

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

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

~~15-1206.~~

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

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

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

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

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

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

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

2 **(II) APPLICATION INSTRUCTIONS.**

3 ~~15-1209.~~

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

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

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

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

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

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

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

19 **(3) (i) IN THIS PARAGRAPH, "PUBLIC HEALTH PLAN" HAS THE**
20 **MEANING STATED IN § 10-101 OF THIS ARTICLE.**

21 **(ii) IN ADDITION TO THE REQUIREMENTS UNDER**
22 **PARAGRAPH (2) OF THIS SUBSECTION, TO BE COVERED UNDER A HEALTH**
23 **BENEFIT PLAN OFFERED BY A CARRIER, A SMALL EMPLOYER SHALL AGREE TO**
24 **PROVIDE INFORMATION ABOUT PUBLIC HEALTH PLANS AVAILABLE TO**
25 **RESIDENTS OF THE STATE:**

26 **1. ON A FORM APPROVED BY THE COMMISSIONER;**
27 **AND**

28 **2. TO ELIGIBLE EMPLOYEES OF THE SMALL**
29 **EMPLOYER WHO ELECT NOT TO BE COVERED UNDER THE SMALL EMPLOYER'S**
30 **HEALTH BENEFIT PLAN AND HAVE NO OTHER HEALTH INSURANCE COVERAGE.**

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.