J5 5lr0089 (PRE–FILED) CF HB 116

By: Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)

Requested: October 6, 2024

Introduced and read first time: January 8, 2025

Assigned to: Finance

A BILL ENTITLED

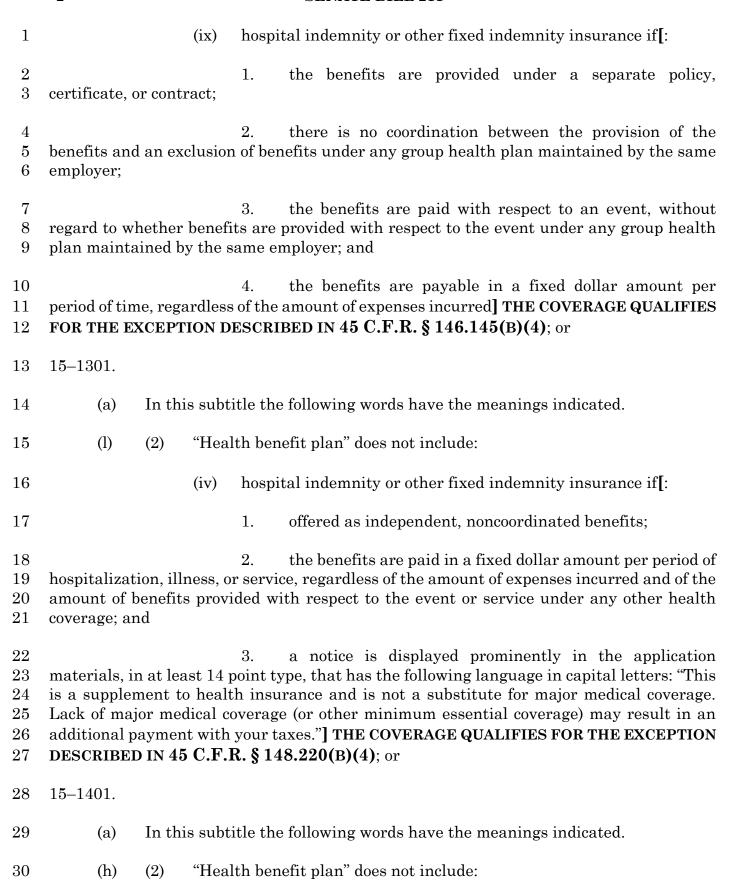
1 AN ACT concerning

- 2 Health Insurance Federal Conformity Definitions of Health Benefit Plan
- 3 FOR the purpose of altering certain definitions of "health benefit plan" to conform to federal
- 4 regulatory requirements regarding hospital indemnity; and generally relating to
- 5 health insurance and conformity with federal law.
- 6 BY repealing and reenacting, without amendments,
- 7 Article Insurance
- 8 Section 15–1201(a), 15–1301(a), 15–1401(a), and 31–101(a)
- 9 Annotated Code of Maryland
- 10 (2017 Replacement Volume and 2024 Supplement)
- 11 BY repealing and reenacting, with amendments,
- 12 Article Insurance
- 13 Section 15–1201(i)(3)(ix), 15–1301(l)(2)(iv), 15–1401(h)(2)(iii), and 31–101(g)(4)
- 14 Annotated Code of Maryland
- 15 (2017 Replacement Volume and 2024 Supplement)
- 16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 17 That the Laws of Maryland read as follows:
- 18 Article Insurance
- 19 15–1201.
- 20 (a) In this subtitle the following words have the meanings indicated.
- 21 (i) (3) "Health benefit plan" does not include:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.





- 1 (iii) the following benefits if offered as independent, noncoordinated 2 benefits: 3 1. coverage only for a specified disease or illness; and 4 2. hospital indemnity or other fixed indemnity insurance, if the [benefits are payable in a fixed dollar amount per period of time, regardless of the 5 6 amount of expenses incurred COVERAGE QUALIFIES FOR THE EXCEPTION DESCRIBED 7 IN 45 C.F.R. § 146.145(B)(4); or 8 31-101. 9 In this subtitle the following words have the meanings indicated. (a) 10 "Health benefit plan" does not include the following benefits if the (g) **(4)** 11 benefits are provided under a separate policy, certificate, or contract of insurance, there is 12 no coordination between the provision of the benefits and any exclusion of benefits under 13 any group health plan maintained by the same plan sponsor, and the benefits are paid with 14 respect to an event without regard to whether the benefits are provided under any group 15 health plan maintained by the same plan sponsor: 16 (i) coverage only for a specified disease or illness; OR 17 (ii) [group] hospital indemnity or other fixed indemnity insurance, 18 if the [benefits are payable in a fixed dollar amount per period of time, such as \$100 per 19 day of hospitalization, regardless of the amount of expenses incurred; or 20 (iii) individual hospital indemnity or other fixed indemnity 21insurance, if: 22 1. the benefits are paid in a fixed dollar amount per period of hospitalization, illness, or service, regardless of the amount of expenses incurred and of the 23amount of benefits provided with respect to the event or service under any other health 2425coverage; and 26 2. a notice is displayed prominently in the application 27 materials, in at least 14 point type, that has the following language in capital letters: "This 28is a supplement to health insurance and is not a substitute for major medical coverage. 29 Lack of major medical coverage (or other minimum essential coverage) may result in an additional payment with your taxes." COVERAGE QUALIFIES FOR THE EXCEPTION 30 31 DESCRIBED IN 45 C.F.R. § 146.145(B)(4) AND 45 C.F.R. § 148.220(B)(4).
- 32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 33 October 1, 2025.