

[(2) If the federal Employee Retirement Income Security Act is amended to exclude employee groups under a specific size, notwithstanding paragraph (1) of this subsection, this subtitle shall apply to any employee group size that is excluded from that federal act.]

[(3)] (2) In determining the number of eligible employees, companies which are affiliated companies or which are eligible to file a consolidated federal income tax return shall be considered one employer.

[698A.

Except as provided in § 712 of this subtitle, this subtitle applies only to carriers that offer health benefit plans covering eligible employees of small employers.]

701.

(a) (1) Until December 31, 1994, carriers may limit coverage under any health benefit plan under a preexisting condition provision, but only for a period not exceeding 6 months from the effective date of coverage for any enrollee, for any preexisting condition that existed within the 6 months preceding the date of coverage for the enrollee under the health benefit plan.

(2) In determining the length of time that a preexisting condition provision applies to an [eligible employee or dependent] INDIVIDUAL, a health benefit plan shall credit the time the individual was previously covered by public or private health insurance or by another health benefit arrangement. An individual is deemed to have been previously covered if:

(i) An interruption of no more than 60 days had occurred from the time the individual was covered by any public or private health insurance or by another health benefit arrangement until the effective date of the new coverage; or

(ii) An interruption of no more than 60 days had occurred from the time the individual was covered by any public or private health insurance or by another health benefit arrangement until the individual [became an eligible employee who] elected to enroll but against whom [the employer] A HEALTH BENEFIT PLAN imposed a waiting period prior to enrollment.

(3) An exclusion of coverage for preexisting conditions may not be applied to health care services furnished for pregnancy or newborns.

(4) On and after January 1, 1995, a carrier may not limit coverage under a health benefit plan for a preexisting condition.

(b) Notwithstanding subsection (a) of this section, a late enrollee may be subject to a 12-month preexisting condition provision.

(c) A health benefit plan that does not use a preexisting condition provision may impose on enrollees a waiting period not to exceed 30 days before the coverage under the health benefit plan is effective. During the waiting period, the health benefit plan is not required to provide health care services or benefits and a premium may not be charged to the enrollee.