

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

Article 48A - Insurance Code

490W.

(A) IN THIS SECTION, "POLICY OR CERTIFICATE" MEANS ANY HEALTH INSURANCE CONTRACT OR POLICY THAT IS ISSUED OR DELIVERED IN THE STATE TO AN EMPLOYER BY AN INSURER OR NONPROFIT HEALTH SERVICE PLAN THAT PROVIDES HOSPITAL, MEDICAL, OR SURGICAL BENEFITS ON AN EXPENSE-INCURRED BASIS.

(B) THIS SECTION DOES NOT APPLY TO A POLICY OR CERTIFICATE ISSUED TO A SMALL EMPLOYER IN ACCORDANCE WITH TITLE 55 OF THIS ARTICLE.

(C) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPHS (2) AND (3) OF THIS SECTION, AN INSURER OR NONPROFIT HEALTH SERVICE PLAN SHALL PROVIDE COVERAGE TO AN INDIVIDUAL UNDER A POLICY OR CERTIFICATE REGARDLESS OF THE HEALTH OF THE INDIVIDUAL IF:

(I) THE INDIVIDUAL HAD COVERAGE UNDER A PRIOR POLICY OR CERTIFICATE ISSUED BY THAT INSURER OR NONPROFIT HEALTH SERVICE PLAN; AND

(II) WITHIN 30 DAYS AFTER THE COVERAGE UNDER THE PRIOR POLICY OR CERTIFICATE TERMINATES, THE INDIVIDUAL BECOMES ELIGIBLE FOR AND ACCEPTS COVERAGE UNDER THE SUBSEQUENT POLICY OR CERTIFICATE.

(2) AN INSURER OR NONPROFIT HEALTH SERVICE PLAN MAY EXCLUDE COVERAGE UNDER A POLICY OR CERTIFICATE FOR A MEDICAL CONDITION OF AN INDIVIDUAL WHO OBTAINS COVERAGE UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION TO THE EXTENT THAT:

(I) THE POLICY OR CERTIFICATE IS ISSUED AS A PART OF A GROUP CONTRACT; AND

(II) THE EXCLUSION IS APPLICABLE TO ALL INDIVIDUALS INSURED UNDER THE GROUP CONTRACT.

(3) (1) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN INSURER OR NONPROFIT HEALTH SERVICE PLAN SHALL WAIVE A WAITING PERIOD FOR COVERAGE OF A PREEXISTING CONDITION UNDER A SUBSEQUENT POLICY OR ~~CONTRACT~~ CERTIFICATE ISSUED TO AN INDIVIDUAL IN ACCORDANCE WITH PARAGRAPH (1)(II) OF THIS SUBSECTION TO THE EXTENT THAT THE INDIVIDUAL HAS SATISFIED A WAITING PERIOD UNDER THE INDIVIDUAL'S PRIOR POLICY OR CERTIFICATE.