

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 698(k), (l), (m), (n), and (o), respectively, of Article 48A - Insurance Code of the Annotated Code of Maryland be renumbered to be Section(s) 698(l), (m), (n), (o), and (p), respectively.

Article 48A—Insurance Code

698.

(a) In this subtitle the following words have the meanings indicated:

(g) (1) ~~“Eligible employee” means [except as provided in paragraph (2) of this subsection,] an employee who works on a full time basis and has a normal workweek of 30 or more hours [and is not covered under a public or private health insurance plan or other health benefit arrangement].~~

(2) ~~“Eligible employee” includes a sole proprietor, a partner of a partnership, AND an independent contractor who is included as an employee under a health benefit plan under this subtitle [or a medical assistance recipient who works on a full time basis and has a normal workweek of 30 or more hours].~~

(3) ~~“Eligible employee” does not include an individual who works on a temporary or substitute basis or for fewer than 30 hours in a workweek.~~

(p) (1) ~~“Small employer” means any person, sole proprietor, firm, corporation, partnership, or association actively engaged in business [and, on] IF:~~

(I) ~~ON at least 50 percent of its working days during the preceding calendar year, [employed at least two but no more than 50 eligible employees,] AT LEAST TWO BUT NO MORE THAN 50 OF THE INDIVIDUALS IT EMPLOYS:~~

1. ~~WORKED ON A FULL TIME BASIS AND HAD A NORMAL WORKWEEK OF 30 OR MORE HOURS; AND~~

2. ~~WERE NOT COVERED UNDER A PUBLIC OR PRIVATE HEALTH INSURANCE PLAN OR OTHER HEALTH BENEFIT ARRANGEMENT OTHER THAN AS MEDICAL ASSISTANCE RECIPIENTS; AND~~

(II) ~~[the] THE majority of [whom] THE INDIVIDUALS DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH are employed within the State. [Until January 1, 1995 carriers who do not impose preexisting condition limitations may require that a small employer have at least three eligible employees.]~~

(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) ~~In determining the number of [eligible employees,] INDIVIDUALS WHO MEET THE REQUIREMENTS UNDER PARAGRAPH (1) OF THIS SUBSECTION companies which are affiliated companies or which are eligible to file a consolidated federal income tax return shall be considered one employer.~~