(ii) A nonprofit organization, which has been determined by the Internal Revenue Service to be exempt from taxation under § 501(c)(3), (4), or (6) of the Internal Revenue Code, with at least one eligible employee.

(3) (i) A carrier may not impose a minimum participation requirement for a small employer that is greater than 75 percent of eligible employees of the small employer.

(ii) In applying minimum participation requirements with respect to a small employer to determine whether the applicable percentage of participation is met, a carrier may not consider eligible employees or dependents that have coverage under a public or private health insurance plan or other health benefit arrangement, including Medicare, Medicaid, and CHAMPUS, that provides benefits similar to or exceeding the benefits provided under the comprehensive standard benefit plan.

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

(5) In determining the number of eligible employees who meet the requirements under [paragraph (1)(i)] 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.

(6) In determining the number of eligible employees who meet the requirements under [paragraph (1)(i)] PARAGRAPH (1) of this subsection, an employee may not be counted who:

(i) Is otherwise covered under a public or private health insurance plan or other health benefit arrangement; or

(ii) Is a part-time employee.

(7) Notwithstanding the provisions of [paragraph (1)(i)] PARAGRAPH (1) of this subsection, in otherwise satisfying the requirements of [paragraph (1)(i)] PARAGRAPH (1) of this subsection, a small employer that did not exist during the preceding calendar year shall, during its first year, employ on at least 50 percent of its working days at least two but no more than 50 eligible employees.

DRAFTER'S NOTE:

Error: Recodification of Article 48A, § 698(g)(2), (i)(1), and (q).

Occurred: As a result of Ch. 501, § 6, Acts of 1995.

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(b) A carrier that offers coverage to a small employer shall:

(1) Offer coverage to all of its eligible employees and to all eligible dependents of all of its eligible employees;