

CHAPTER 434

(House Bill 1120)

AN ACT concerning

Health Insurance – Basic Limited Benefit Benefits Policies

FOR the purpose of authorizing insurers and nonprofit health service plans to issue a basic limited benefits health insurance policy to individuals and employers with a certain number of employees under certain circumstances; specifying the minimum required benefits in a basic limited benefits policy; authorizing insurers and nonprofit health service plans to include additional benefits in a basic limited benefits policy with the approval of the Insurance Commissioner; requiring policies under this Act to contain exclusions for services that are not medically necessary or that are not covered preventive health services; authorizing policies under this Act to include certain other managed care provisions, cost sharing provisions, limitations, and exclusions with the approval of the Commissioner; requiring a person who issues a basic limited benefits policy to obtain from a prospective policyholder a signed statement acknowledging certain disclosures and certifying eligibility; exempting basic limited benefit policies from mandated health insurance benefits and nondiscrimination provisions; establishing the duration of a basic limited benefits policy; specifying the circumstances under which a policy may be issued by an insurer or nonprofit health service plan; requiring an insurer or nonprofit health service plan to report certain information to the Insurance Commissioner; providing for certain penalties; requiring an insurer or a nonprofit health service plan to provide a certain notice prior to the termination of a basic limited benefits policy under certain circumstances; limiting the period during which a basic limited benefits policy may be offered; authorizing a health maintenance organization to issue a benefits package that provides at a minimum the benefits required under a basic limited benefits policy; requiring the Insurance Commissioner to adopt regulations to carry out this Act; requiring the Insurance Commissioner to make a report concerning basic limited benefits policies; requiring that the Joint Committee on Health Care Cost Containment study certain issues related to problems of uninsured in the State; providing that limited benefits policies may be extended for a certain period under certain circumstances; defining certain terms; and generally relating to limited benefit health insurance policies.

BY adding to

Article 48A – Insurance Code
 Section 490–O
 Annotated Code of Maryland
 (1986 Replacement Volume and 1990 Supplement)

BY adding to

Article – Health -- General
 Section 19–703(e)