



STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION
525 St. Paul Place, Baltimore, Maryland 21202-2272

FREQUENTLY ASKED QUESTIONS:

Can a health insurance company refuse to give me an insurance policy because of a past medical condition?

If you have a history of a health problem, or if you have a health problem at the time you apply for health insurance, in certain circumstances an insurance company could either refuse to give you a policy or apply an exclusionary rider that excludes your health problem from coverage for a period of time. This is referred to as an exclusion for a "preexisting condition." In some cases, the company may only issue a policy with a rider that permanently excludes the condition.

When you fill out the application, you must be as thorough as possible in answering the questions. If the insurer finds out later that you had a medical condition for which you sought treatment or if you have been diagnosed as having a medical condition that you did not tell them about on the application, they can take back the money that they have paid on your behalf, leaving you with unpaid claims.

* THE RULES OF WHETHER YOU MAY BE DENIED AN INSURANCE POLICY DEPEND ON THE TYPE OF POLICY YOU ARE ATTEMPTING TO PURCHASE:

- A. Group Health Plans – A group health plan is generally offered by your employer. Many large employers do not purchase insurance for their employees' health benefit plan. Instead, they hire an insurance company to perform administrative services, such as processing claims for payment. The employer is responsible for arranging to have the claims paid. There is no health insurance policy issued, so laws governing what must be covered in health insurance policies do not apply. Check with your employer to find out whether you are in a self-insured plan. If you are in a self-insured plan, Maryland law does not apply.

If your employer offers health coverage to all of its employees, then it may not refuse to offer this coverage to you based on a condition in your medical history. [An employer may refuse to provide you with coverage for another reason, i.e. you are a part-time employee and coverage is not given to any part-time employee.]

Even if you have a group health plan offered by a fully insured employer, there may be limitations on your coverage for preexisting conditions. The law permits an employer to have a 12 month waiting period before it is required to cover preexisting conditions. [If you join the health plan after you are hired and not during a regular or special enrollment period, the waiting period can be 18 months.] A carrier may only exclude a preexisting condition if it relates to a condition, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the 6-month period ending on the enrollment date.

Even if your employer has a waiting period, if you previously had continuous insurance coverage, you may be eligible for an offset of some or all of the waiting period. This is referred to as “creditable coverage.” You will need proof that you had health insurance coverage that was not interrupted by a break of 63 days in a row.

- B. Small Employer Health Plans – A small employer health plan may not refuse to insure an employee based on a preexisting condition and it also may not place exclusions on the coverage. Moreover, the carrier may not charge a higher premium because of an employee’s or dependent’s health status. However, if the employee joins the health plan after his initial eligibility and not during a regular or special enrollment period, a 12 month waiting period may be imposed.
- C. HMOs – HMOs are not allowed to impose preexisting condition exclusions. However, if you purchase an individual HMO plan, you may be turned down because of your health status.
- D. Individual Health Plans – An insurer that sells an individual policy is permitted to refuse to offer you that policy because of health status. You and your family members must be in very good health to qualify. When you fill out the application, you must be as thorough as possible in answering the questions. If the insurer finds out later that you had a medical condition that you did not tell them about on the application, they can take back the money that they have paid on your behalf, leaving you with unpaid claims.

If you buy your individual plan from an HMO, then your preexisting condition **may not** be excluded.

If you are denied an individual policy for health reasons, you can enroll in the Maryland Health Insurance Plan (MHIP). This is a plan administered by the State to provide coverage to people seeking coverage from the Health Insurance Portability and Accountability Act (HIPAA) and those who have been denied a medically underwritten policy. You may also qualify if you have certain medical conditions. There are several options, all of which require a premium payment. Their phone number is (866) 780-7105. Their website is www.marylandhealthinsuranceplan.state.md.us.

If you are self-employed and cannot pass medical underwriting, you may apply to MHIP.

* WHAT YOU CAN DO IF YOU BELIEVE YOUR HEALTH PLAN HAS IMPROPERLY EXCLUDED COVERAGE STATING THAT IT IS AN EXCLUDED PREEXISTING CONDITION:

You should first file an appeal with the health plan. You should send a written letter of appeal; a telephone call may not be enough. You should carefully review your certificate of coverage or policy and the denial notice that was sent to you to learn how to file an appeal. You should file your appeal as soon as possible. Your appeal may be denied by the health plan if it is past their deadline for appeals. The Health Education and Advocacy Unit in the Office of the Attorney General may assist you in preparing your appeal. Their toll-free telephone number is (877) 261-8807, and their website is www.oag.state.md.us. (Complaint forms are available online.) If you are covered by a health insurance or HMO policy issued in Maryland, you only need to file one appeal with the company.

After you have received an appeal decision, if you remain dissatisfied, and your coverage is subject to Maryland law, you may file a complaint with the Maryland Insurance Administration. Our website, www.mdinsurance.state.md.us has both complaint forms and authorizations to release medical records that you may print out and send to us. You should include copies of the denial letters you received from the company and any other correspondence you have. For further assistance, our toll-free number is (800) 492-6116.