

**.01 Scope.**

This chapter applies to:

- A. Each carrier that offers a medically underwritten health benefit plan in the nongroup market in the State; and
- B. Each SAAC carrier.

**.02 Definitions.**

- A. In this chapter, the following terms have the meanings indicated.
- B. Terms Defined.

(1) "Carrier" means:

- (a) An insurer;
- (b) A nonprofit health service plan; or
- (c) A health maintenance organization.

(2) "Health benefit plan" has the meaning stated in §C of this regulation.

(3) "SAAC carrier" means a carrier that offers substantial, available and affordable coverage in this State.

(4) "Substantial, available, and affordable coverage" means coverage that is offered in the nongroup health insurance market under the regulations adopted under Insurance Article, § 15-606, Annotated Code of Maryland.

C. Health Benefit Plan.

(1) "Health benefit plan" means a:

(a) Hospital or medical policy or certificate, including those issued under multiple employer trusts or associations located in Maryland or any other state covering Maryland residents;

(b) Policy, contract, or certificate issued by a nonprofit health service plan that covers Maryland residents; or

(c) Health maintenance organization subscriber or group master contract.

(2) "Health benefit plan" does not include:

(a) One or more, or any combination of the following:

- (i) Coverage only for accident or disability income insurance;
- (ii) Coverage issued as a supplement to liability insurance;
- (iii) Liability insurance, including general liability insurance and automobile liability insurance;
- (iv) Workers' compensation or similar insurance;
- (v) Automobile medical payment insurance;
- (vi) Credit-only insurance;
- (vii) Coverage for on-site medical clinics; or
- (viii) Other similar insurance coverage, specified in federal regulations issued pursuant to P.L. 104-191, under which benefits for medical care are secondary or incidental to other insurance benefits;

(b) The following benefits if they are provided under a separate policy, certificate, or contract of insurance or are otherwise not an integral part of a plan:

- (i) Limited scope dental or vision benefits;
- (ii) Benefits for long-term care, nursing home care, home health care, community-based care, or any combination of these benefits; or
- (iii) Such other similar, limited benefits as are specified in federal regulations issued pursuant to P.L. 104-191;

(c) The following benefits if offered as independent, noncoordinated benefits:

- (i) Coverage only for a specified disease or illness; or

(ii) Hospital indemnity or other fixed indemnity insurance;

or

(d) The following benefits if offered as a separate insurance policy:

(i) Medicare supplemental health insurance (as defined

under § 1882(g)(1) of the Social Security Act);

(ii) Coverage supplemental to the coverage provided under

Chapter 55 of Title 10, United States Code; or

(iii) Similar supplemental coverage provided to coverage

under an employer sponsored plan.

**.03 Information Required To Be Filed With Commissioner.**

A. No later than January 1 of each year, each SAAC carrier shall notify the Commissioner in writing of the time periods in that calendar year during which the SAAC carrier will offer its substantial, available, and affordable coverage plan on an open enrollment basis.

B. The notification required by §A of this regulation shall include:

(1) The address and telephone number that the Maryland residents are to use to contact the SAAC carrier regarding the substantial, available, and affordable coverage; and

(2) The specific dates for the two substantial, available, and affordable coverage open enrollment periods for the calendar year referenced in §A of this regulation.

**.04 Required Notice to Individuals Denied Coverage Before February 1, 2002.**

A. If a carrier denies coverage under a medically underwritten health benefit plan to an individual in the nongroup market before February 1, 2002, the carrier shall provide the individual with the notice described in §B of this regulation.

B. The notice required by §A of this regulation shall be printed in at least 12 point type and shall read as follows:

"NOTICE OF AVAILABILITY OF  
SUBSTANTIAL, AVAILABLE, AFFORDABLE COVERAGE (SAAC)

We, [insert carrier name], have denied your request for coverage under our medically underwritten nongroup health benefit plan. This notice is to inform you that you may be eligible for health coverage under a special program in Maryland, known as the SAAC program. The SAAC program requires certain insurance companies, nonprofit health service plans and health maintenance organizations to issue coverage to all applicants during certain open enrollment periods. You may obtain information regarding the carriers who participate in the SAAC program and the specific open enrollment periods for 2002 by contacting the Maryland Insurance Administration ("MIA") at 525 St. Paul Place, Baltimore, Maryland 21202 or telephoning the MIA at 1-800-492-6116. Material regarding the SAAC open enrollment periods for participating SAAC carriers may be viewed at the Maryland Insurance Administration website. Look for the Publication under Consumer Information at [www.mdinsurance.state.md.us](http://www.mdinsurance.state.md.us)."

**.05 Required Notice to Individuals Denied Coverage On or After February 1, 2002.**

A. If a carrier denies coverage under a medically underwritten health benefit plan to an individual in the nongroup market on or after February 1, 2002, the carrier shall provide the individual with the notice described in §B of this regulation.

B. The notice required by §A of this regulation shall be printed in at least 12 point type and shall read as follows:

"NOTICE OF AVAILABILITY OF

SUBSTANTIAL, AVAILABLE, AFFORDABLE COVERAGE (SAAC)

We, [insert carrier name], have denied your request for coverage under our medically underwritten nongroup health benefit plan. This notice is to inform you that you may be eligible for health coverage under a special program in Maryland, known as the SAAC program. The SAAC program requires certain insurance companies, nonprofit health service plans and health maintenance organizations to issue coverage to all applicants during certain open enrollment periods.

The following is a list of the carriers who are participating in the SAAC program:

[Insert name, address, telephone number and specific open enrollment periods for each carrier participating in the SAAC program during the calendar year in which the denial is given].

You may obtain other information regarding the SAAC program from the Maryland Insurance Administration, 525 St. Paul Place, Baltimore, Maryland 21202; telephone # 1-800-492-6116.

Material regarding the SAAC open enrollment periods for participating SAAC carriers may be viewed at the Maryland Insurance Administration website. Look for the Publication under Consumer Information at [www.mdinsurance.state.md.us](http://www.mdinsurance.state.md.us)."

**.06 Information to be Provided by SAAC Carriers.**

A. If an individual contacts a SAAC carrier before February 1, 2002 about a substantial, available, and affordable coverage open enrollment period, the carrier shall inform the individual of the dates of the carrier's first substantial, available, and affordable coverage open period scheduled for 2002.

B. If an individual contacts a SAAC carrier on or after February 1, 2002 about a substantial, available, and affordable coverage open enrollment period, the carrier shall inform the individual of the dates of the carrier's open enrollment periods for the calendar year in which the request from the individual is received.

STEVEN B. LARSEN  
Insurance Commissioner