

## Bulletin

**DATE:** November 2, 1998

**TO:** Health Insurers

**RE:** House Bill 108 -  
Professional Employer Organizations

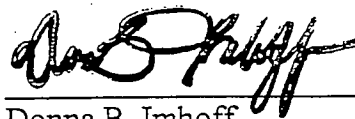
**Bulletin No.:** Life and Health 98-14

As a result of a market conduct examination of three health maintenance organizations, the Maryland Insurance Administration has become aware that not all HMOs and not all indemnity carriers are complying with Sections 15-1201(f), 15-1201(m) and 15-1212(a) of the Maryland Insurance Article concerning the insuring of leased employees to small employers.

A copy of the law (Chapter 337 of the Acts of the General Assembly of 1998) and a list of PEOs is attached for your information.

The law requires a carrier insuring a Professional Employer Organization (PEO) to determine the number of employees the PEO leases to each of its employer clients. Any employer client that is a small employer as defined in Section 15-1203 must be insured in accordance with Maryland law governing small employer groups.

If there are any questions concerning this matter, please contact me.



Donna B. Imhoff  
Associate Commissioner

NA/do  
Enc.

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Professional Employer Leasing Organizations

Name	10/15/98	List of organization and Source Phone	Contact	Source
AA Staff Leasing		703 461 9009		Montgomery County Yellow Pages
Administaff, Inc		301 572 2667	Andrew Stephenson	walker/Balto yellow pages
Administaff, Inc		800 600 9797		
Administrative Solutions		801 981 4862		Aetna USHealthCare
Advanced Computer Consultants, Inc.				Yahoo
Advanced Personnel Concepts		410 661 9700		Baltimore Yellow Pages
Alcott Group		516 420 0100		Aetna USHealthCare
Allied Technologies International, Inc.				Yahoo
American Technical Resources, Inc.		703 917 7800		Montgomery County Yellow Pages
Asian Business Co-Op		301 652 9888	Amy Yu	walker
Asian Business Co-Op		800 777 2582		
Automotive Talent Registry		301 621 5387		Baltimore Yellow Pages
Barrett Business Services, Inc		410 339 7590		Baltimore Yellow Pages
Barrett Business Services, Inc		410 766 0004		Baltimore Yellow Pages
Doctors' Corner Personnel Service, Inc.				Yahoo
Employee Screening Services		301 610 0710		Montgomery County Yellow Pages
Employee Solutions		602 381 5108		Aetna USHealthCare
Employers Resource Management Co		301 595 4277		Montgomery County Yellow Pages
Express Business Solutions		410 721 7077	Jeffrey Jenson	walker
Express Business Solutions		800 721 8989		
Hagon Coproration		301 577 5441		Montgomery County Yellow Pages
HRC		214 902 9100		Aetna USHealthCare
Human Resource Alternatives		609 987 9779		Aetna USHealthCare
Human Resources Technology Corporation		410 453 9500		Baltimore Yellow Pages
Human Resources Technology Corporation		410 872 4949	Scott Thompson	walker/Prudential Health Care
Human Resources Technology Corporation		800 479 3241		
Human Resources, Inc.		410 224 3666		Baltimore Yellow Pages\
Human Resources, Inc.		410 451 4202		
Integrated Employment Group, Inc.		410 685 6100	Brian McComas	walker
Integrated Employment Group, Inc.		800 579 IEG1		
KPS Employee Leasing, Inc.		410 321 7123	Kent P. Swanson	walker
KPS Employee Leasing, Inc.		800 KPS 9029		
Logistics Staffing		410 987 9610		Baltimore Yellow Pages
Metro Payrolling Services		410 727 8845		Baltimore Yellow Pages
Modern Employers, Inc		410 418 4040	Richard B. Hendln	walker

Delegate Donoghue

Introduced and read first time: January 16, 1998

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 26, 1998

CHAPTER 337

1 AN ACT concerning

2 Small Group Health Insurance Market - Professional Employer  
3 Organizations - Repeal of Termination Date

4 FOR the purpose of repealing a certain termination date for a provision of law that  
5 makes the provisions of the Maryland Health Insurance Reform Act applicable  
6 to certain professional employer organizations.

7 BY repealing and reenacting, without amendments.  
8 Article - Insurance  
9 Section 15-1201(f) and (m) and 15-1212(a)  
10 Annotated Code of Maryland  
(1997 Volume)

12 BY repealing and reenacting, with amendments.  
13 Chapter 420 of the Acts of the General Assembly of 1997  
14 Section 3

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
16 MARYLAND. That the Laws of Maryland read as follows:

17 Article - Insurance

18 15-1201.

19 (f) (1) "Health benefit plan" means:

20 (i) a policy or certificate for hospital or medical benefits:

- (ii) a nonprofit health service plan; or
- (iii) a health maintenance organization subscriber or group master contract.

4 (2) "Health benefit plan" includes a policy or certificate for hospital or  
5 medical benefits that covers residents of this State who are eligible employees and  
6 that is issued through:

- 7 (i) a multiple employer trust or association located in this State or  
8 another state; or
- 9 (ii) a professional employer organization, coemployer, or other  
10 organization located in this State or another state that engages in employee leasing.

11 (3) "Health benefit plan" does not include:

- 12 (i) accident-only insurance;
- 13 (ii) fixed indemnity insurance;
- 14 (iii) credit health insurance;
- 15 (iv) Medicare supplement policies;
- 16 (v) Civilian Health and Medical Program of the Uniformed Services  
17 (CHAMPUS) supplement policies;
- 18 (vi) long-term care insurance;
- 19 (vii) disability income insurance;
- 20 (viii) coverage issued as a supplement to liability insurance;
- 21 (ix) workers' compensation or similar insurance;
- 22 (x) disease-specific insurance;
- 23 (xi) automobile medical payment insurance;
- 24 (xii) dental insurance; or
- 25 (xiii) vision insurance.

26 (m) "Small employer" means:

- 27 (1) an employer described in § 15-1203 of this subtitle; or
- 28 (2) an entity that leases employees from a professional employer  
29 organization, coemployer, or other organization engaged in employee leasing and that  
30 otherwise meets the description of § 15-1203 of this subtitle.

2 (a) (1) Except as provided in subsections (b) and (c) of this section, a carrier  
3 shall renew a health benefit plan at the option of the small employer.

4 (2) On renewal, a carrier may not exclude eligible employees or  
5 dependents from a health benefit plan.

6 (3) (i) A carrier shall mail a notice of renewal to the small employer at  
7 least 30 days before the expiration of a health benefit plan.

8 (ii) The notice of renewal shall include the dates of the renewal  
9 period, the health benefit plan rates, and the terms of coverage under the health  
10 benefit plan.

11 (4) Policies or certificates for hospital or medical benefits issued through  
12 a professional employer organization, coemployer, or other organization under this  
13 subtitle may, with the consent of the carrier, have a common renewal date.

14 Chapter 420 of the Acts of 1997

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 1997. [It shall remain effective for a period of 1 year and, at the end of  
17 September 30, 1998, with no further action required by the General Assembly, this  
18 Act shall be abrogated and of no further force and effect.]

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 July 1, 1998.