
By: **Delegate Hammen**

Introduced and read first time: February 12, 1999

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 16, 1999

CHAPTER _____

1 AN ACT concerning

2 **Medical Assistance - Specialty Mental Health Services - Reimbursement**

3 FOR the purpose of requiring certain standards concerning the prompt payment of
4 reimbursement of health maintenance organization providers to be applicable to
5 a certain delivery system for specialty mental health services under the
6 Maryland Medical Assistance Program; ~~requiring a certain delivery system to~~
7 ~~allow, and provide reimbursement for, an appropriate specialty mental health~~
8 ~~assessment and evaluation in the emergency department of a hospital and by~~
9 ~~any type of mental health professional with certain qualifications; and generally~~
10 relating to the delivery system for specialty mental health services under the
11 Maryland Medical Assistance Program.

12 BY repealing and reenacting, with amendments,
13 Article - Health - General
14 Section 15-103(b)(21)
15 Annotated Code of Maryland
16 (1994 Replacement Volume and 1998 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article - Health - General
19 Section 19-712.1
20 Annotated Code of Maryland
21 (1996 Replacement Volume and 1998 Supplement)

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

1 **Article - Health - General**

2 15-103.

3 (b) (21) (i) The Department shall establish a delivery system for specialty
4 mental health services for enrollees of managed care organizations.

5 (ii) The Mental Hygiene Administration shall:

6 1. Design and monitor the delivery system;

7 2. Establish performance standards for providers in the
8 delivery system; and9 3. Establish procedures to ensure appropriate and timely
10 referrals from managed care organizations to the delivery system that include:11 A. Specification of the diagnoses and conditions eligible for
12 referral to the delivery system;13 B. Training and clinical guidance in appropriate use of the
14 delivery system for managed care organization primary care providers;15 C. Preauthorization by the utilization review agent of the
16 delivery system; and

17 D. Penalties for a pattern of improper referrals.

18 (iii) The Department shall collaborate with managed care
19 organizations to develop standards and guidelines for the provision of specialty
20 mental health services.

21 (iv) The delivery system shall:

22 1. Provide all specialty mental health services needed by
23 enrollees;24 2. For enrollees who are dually diagnosed, coordinate the
25 provision of substance abuse services provided by the managed care organizations of
26 the enrollees;27 3. Consist of a network of qualified mental health
28 professionals from all core disciplines;

29 4. Include linkages with other public service systems; and

30 5. Comply with quality assurance, enrollee input, data
31 collection, and other requirements specified by the Department in regulation.32 (v) The Department may contract with a managed care
33 organization for delivery of specialty mental health services if the managed care

1 organization meets the performance standards adopted by the Department in
2 regulations.

3 (VI) ~~+~~ THE PROVISIONS OF § 19-712.1 OF THIS ARTICLE APPLY TO
4 THE DELIVERY SYSTEM FOR SPECIALTY MENTAL HEALTH SERVICES ESTABLISHED
5 UNDER THIS PARAGRAPH AND ADMINISTERED BY AN ADMINISTRATIVE SERVICES
6 ORGANIZATION.

7 ~~2-~~ ~~THE DELIVERY SYSTEM FOR SPECIALTY MENTAL HEALTH~~
8 ~~SERVICES SHALL ALLOW, AND PROVIDE REIMBURSEMENT FOR, AN APPROPRIATE~~
9 ~~SPECIALTY MENTAL HEALTH ASSESSMENT AND EVALUATION PROVIDED:~~

10 A. ~~IN AN EMERGENCY DEPARTMENT OF A HOSPITAL; AND~~

11 B. ~~BY ANY TYPE OF MENTAL HEALTH PROFESSIONAL~~
12 ~~LICENSED OR CERTIFIED TO PROVIDE THAT ASSESSMENT OR EVALUATION.~~

13 19-712.1.

14 (a) For covered services rendered to its members, a health maintenance
15 organization shall reimburse any provider within 30 days after receipt of a claim that
16 is accompanied by all reasonable and necessary documentation.

17 (b) (1) If a health maintenance organization fails to comply with subsection
18 (a) of this section, the health maintenance organization shall pay interest beginning
19 with the 31st day on the amount of the claim that remains unpaid after 30 days
20 following the receipt of the claim.

21 (2) The interest payable shall be at the rate of 1.5 percent per month
22 simple interest prorated for any portion of a month.

23 (3) Except as provided in subsection (c) of this section, when paying a
24 claim more than 30 days after its receipt, the health maintenance organization shall
25 add the interest payable to the amount of the unpaid claim without the necessity for
26 any claim for that interest to be made by the provider filing the original claim.

27 (c) The provisions of this section do not apply to claims where:

28 (1) There is a good faith dispute regarding:

29 (i) The legitimacy of the claim; or

30 (ii) The appropriate amount of reimbursement; and

31 (2) The health maintenance organization:

32 (i) Notifies the provider within 2 weeks of the receipt of the claim
33 that the legitimacy of the claim or the appropriate amount of reimbursement is in
34 dispute;

1 (ii) Supplies in writing to the provider the specific reasons why the
2 legitimacy of the claim, or a portion of the claim, or the appropriate amount of
3 reimbursement is in dispute;

4 (iii) Pays any undisputed portion of the claim within 30 days of the
5 receipt of the claim; and

6 (iv) Makes a good faith, timely effort to resolve the dispute.

7 (d) A health maintenance organization shall permit a provider a minimum of 6
8 months from the date a covered service is rendered to submit a claim for
9 reimbursement for the service.

10 (e) (1) If a health maintenance organization notifies a provider that
11 additional documentation is necessary to adjudicate a claim, the health maintenance
12 organization shall reimburse the provider for covered services within 30 days after
13 receipt of all reasonable and necessary documentation.

14 (2) If a health maintenance organization fails to comply with the
15 requirements of paragraph (1) of this subsection, the health maintenance
16 organization shall pay interest in accordance with the requirements of subsection (b)
17 of this section.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 June 1, 1999.