Department of Legislative Services

Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 1002 (Senator Mathias)
Finance

Health Insurance - Uniform Claims Form - Electronic Submission by Insured

This bill authorizes – (1) a person entitled to reimbursement under an individual or group health insurance policy, contract, or certificate issued or delivered in the State by an insurer or nonprofit health service plan; (2) a hospital; or (3) an insured, a member, or a subscriber (for covered services paid for out-of-pocket) – to submit a uniform claims form by electronic transfer. An insurer, nonprofit health service plan, or health maintenance organization (collectively known as carriers) must comply with the bill on the earlier of the date that the carrier's claims processing system is capable of compliance or October 1, 2016.

Fiscal Summary

State Effect: Any additional workload on the Maryland Insurance Administration can be handled within existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A carrier must accept the uniform claims form and any attachments approved or adopted by the Insurance Commissioner as a properly filed claim with all necessary documentation and as the sole instrument for reimbursement for services rendered by a person entitled to reimbursement under an individual or group health insurance policy, contract, or certificate issued or delivered in the State or by a hospital. A carrier may not impose, as a condition of reimbursement, a requirement to modify the

uniform claims form or its content or submit additional claims forms. A uniform claims form must be completed properly and may be submitted by electronic transfer.

If the health care practitioner rendering the service is a certified registered nurse anesthetist (CRNA) or certified nurse midwife (CNM), the uniform claims form must include identification modifiers for the CRNA or CNM that indicate whether the service is provided with or without medical direction by a physician.

If the legitimacy or appropriateness of a health care service is disputed, a carrier may request additional medical information that describes and summarizes the diagnosis, treatment, and services rendered to the insured.

Carriers must provide and update, as appropriate, all contracting providers and any other provider on request, with a manual or other document that sets forth the claims filing procedures, including the address where the claims should be sent for processing; the telephone number at which providers' questions and concerns may be addressed; the name, address, and telephone number of any entity to which the carrier has delegated claims payment; and the address and telephone number of any separate claims processing center for specific types of applicable services.

If a carrier delegates its claims processing function, the delegation agreement must require the claims processing entity to comply with specified requirements and may not be construed to limit the responsibility of the carrier to comply with such requirements.

If necessary to determine eligibility for benefits or to determine coverage, a carrier may obtain additional information from its insured, member, or subscriber, the employer of the insured, member or subscriber, or any other nonprovider third party. If obtaining additional information results in a delay in paying a claim, the carrier must pay interest on the claim.

The Insurance Commissioner may impose a penalty of up to $5,000 on a carrier that violates these provisions.

Additional Information

Prior Introductions: None.

Cross File: HB 1130 (Delegate Zucker, *et al.*) - Health and Government Operations.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2014
ncs/ljm

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