

SENATE BILL 474

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EMERGENCY BILL

3lr2938
CF HB 716

By: **Senator Klausmeier**

Introduced and read first time: February 3, 2023

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 3, 2023

CHAPTER _____

1 AN ACT concerning

2 **Managed Care Organizations – ~~Acknowledgment of Responsibility for Payment~~**
3 **~~of a Retroactive Denial of Reimbursement – Repeal of Applicability Information~~**
4 **in Written Statement**

5 FOR the purpose of ~~providing that a managed care organization that retroactively denies~~
6 ~~reimbursement to a health care provider is not required to provide certain~~
7 ~~information regarding the entity acknowledging responsibility for payment of the~~
8 ~~denied claim~~ altering the information that must be included in a written statement
9 provided by a managed care organization to a health care provider when
10 retroactively denying reimbursement as a result of coordination of benefits; and
11 generally relating to managed care organization and retroactive denial of
12 reimbursement.

13 BY repealing and reenacting, with amendments,
14 Article – Health – General
15 Section 15–102.3(c)
16 Annotated Code of Maryland
17 (2019 Replacement Volume and 2022 Supplement)

18 BY adding to
19 Article – Health – General
20 Section 15–102.3(k)
21 Annotated Code of Maryland
22 (2019 Replacement Volume and 2022 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, ~~without~~ with amendments,
 2 Article – Insurance
 3 Section ~~15-1008(c)(2)(ii)~~ 15-1008(c)(2)
 4 Annotated Code of Maryland
 5 (2017 Replacement Volume and 2022 Supplement)

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

8 **Article – Health – General**

9 15-102.3.

10 (c) The provisions of §§ 4-311, 15-604, AND 15-605, ~~and [15-1008] 15-1008(A),~~
 11 ~~(B), (C)(1) AND (2)(I), (D), (E), AND (F)~~ of the Insurance Article shall apply to managed
 12 care organizations in the same manner they apply to carriers.

13 **(K) (1) TO THE EXTENT AUTHORIZED UNDER FEDERAL LAW AND SUBJECT**
 14 **TO PARAGRAPH (2) OF THIS SUBSECTION, THE PROVISIONS OF § 15-1008(A), (B),**
 15 **(C)(1) AND (2)(I), (D), (E), AND (F) OF THE INSURANCE ARTICLE SHALL APPLY TO**
 16 **MANAGED CARE ORGANIZATIONS IN THE SAME MANNER THEY APPLY TO CARRIERS.**

17 **(2) IF A RETROACTIVE DENIAL OF REIMBURSEMENT IS THE RESULT**
 18 **OF COORDINATION OF BENEFITS, A WRITTEN STATEMENT PROVIDED BY A MANAGED**
 19 **CARE ORGANIZATION TO A HEALTH CARE PROVIDER IN ACCORDANCE WITH §**
 20 **15-1008(C)(2)(I) OF THE INSURANCE ARTICLE SHALL INCLUDE THE NAME AND**
 21 **ADDRESS OF THE ENTITY IDENTIFIED BY THE MANAGED CARE ORGANIZATION AS**
 22 **RESPONSIBLE FOR PAYMENT OF THE CLAIM.**

23 **Article – Insurance**

24 15-1008.

25 ~~(e) (2) (ii) If the retroactive denial of reimbursement results from~~
 26 ~~coordination of benefits, the written statement shall provide the name and address of the~~
 27 ~~entity acknowledging responsibility for payment of the denied claim.~~

28 (c) (2) (i) A carrier that retroactively denies reimbursement to a health
 29 care provider under paragraph (1) of this subsection shall provide the health care provider
 30 with a written statement specifying the basis for the retroactive denial.

31 (ii) If the retroactive denial of reimbursement results from
 32 coordination of benefits BY A CARRIER THAT IS NOT A MANAGED CARE ORGANIZATION,
 33 the written statement shall provide the name and address of the entity acknowledging
 34 responsibility for payment of the denied claim.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
2 measure, is necessary for the immediate preservation of the public health or safety, has
3 been passed by a yea and nay vote supported by three-fifths of all the members elected to
4 each of the two Houses of the General Assembly, and shall take effect from the date it is
5 enacted.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.