

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Maryland Insurance Administration
(DLS Control No. 15-044)**

Overview and Legal and Fiscal Impact

The regulation (1) revises the enabling statutory authority for Chapter 31.10.11.02 to reflect statutory changes and improve accuracy; (2) clarifies that COMAR 31.10.11 Uniform Claim Forms does not apply to managed care organizations; and (3) updates the definition of “ICD-9-CM Codes” to include any successor to ICD-0-CM Codes published by the Department of Health and Human Services (HHS). HHS intends to adopt new ICD codes (ICD-10-CM/PCS), effective October 1, 2015.

The regulation presents no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulation of COMAR Affected

Maryland Insurance Administration:

Health Insurance – General: Uniform Claims Forms: COMAR 31.10.11.02

Legal Analysis

Summary of Regulation

The regulation revises the enabling statutory authority for Chapter 31.10.11.02 to reflect statutory changes and to improve accuracy.

The regulation strikes a managed care organization from the definition of “third party payor”, which is a person that administers or provides reimbursement for health care benefits on an expense-incurred basis. Section § 15-101.1 of the Health – General Article establishes that “unless provided in this subtitle, a managed care organization is not subject to the requirements of the Insurance Article.” Section 15-102.3 of the Health – General Article specifies which laws in the Insurance Article apply to managed care organizations and does not include §§ 15-1003 through 15-1004 of the Health – General Article, which are the enabling statutes for this Chapter.

Lastly, the regulation alters the definition of “ICD-9-CM Codes” in Regulation .02 to include any successor to ICD-0-CM Codes published by HHS. HHS intends to adopt new ICD codes (ICD-10-CM/PCS), effective October 1, 2015.

Legal Issue

The regulation presents no legal issues of concern.

Statutory Authority and Legislative Intent

The Maryland Insurance Administration cites § 2-109 and §§ 15-1003 through 15-1005 of the Insurance Article and § 1-208 of the Health Occupations Article as legal authority for the regulations. The administration repeals §§ 15-701, 15-704, 15-706, 15-711, 15-712 of the Insurance Article, §§ 19-712.1 and 19-712.3 of the Health – General Article, and § 1-207 of the Health Occupation Article as legal authority for the regulation.

Section 2-109 authorizes the Maryland Insurance Commissioner to adopt regulations to carry out the provisions of law governing insurance. Section 15-1003 requires the Commissioner to adopt by regulation (1) as the uniform claims form for reimbursement of hospital services in the State the uniform claims form adopted by the National Uniform Billing committee and approved by the Centers for Medicare and Medicaid Services for Hospital Payments; (2) a uniform claims form for reimbursement of health care practitioners' services; and (3) a definition of a "clean claim", permissible categories of disputed claims for which additional information may be requested, and standards for determining when a claim is considered received for reimbursement. For services rendered by a person entitled to reimbursement or a hospital, § 15-1004 requires an insurer, nonprofit health service plan, or health maintenance organization to accept the uniform claims form and any attachments approved or adopted by the Commissioner as a properly filed claim with all necessary documentation and as the sole instrument for reimbursement. In addition, for services rendered by a person entitled to reimbursement or a hospital, § 15-1004 prohibits an insurer, nonprofit health service plan, or health maintenance organization from imposing as a condition of reimbursement a requirement to modify the uniform claims form or its content or submit additional claims forms. The section requires a uniform claims form to be completed properly and may be submitted by electronic transfer. If the legitimacy or appropriateness of a health care service is disputed, an insurer, nonprofit health service plan, or health maintenance organization may request additional medical information that describes the diagnosis, treatment, and services rendered to the insured. Insurers, nonprofit health service plans, and health maintenance plans are required to provide and update specified providers with a manual that sets forth procedures for filing claims. Section 15-1005 establishes procedures requiring prompt payment of claims and establishes penalties for an insurer, nonprofit health service plan, or health maintenance organization that violates the section.

When submitting a claim or bill for reimbursement to a third party payor, § 1-208 of the Health Occupations Article requires a health care practitioner to use a uniform claims form. The section authorizes the Secretary of Health and Mental Hygiene to impose a penalty not to exceed \$100 on a health care practitioner that violates this section.

This authority is correct and complete. The regulation complies with the legislative intent of the law.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The Maryland Insurance Administration advises that the changes to the regulation are technical in nature and do not impose any new substantive obligations on Maryland Insurance Administration; thus, the regulation has no impact on State or local governments. The Department of Legislative Services concurs.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulation has minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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