
By: Delegates Kirk, Cummings, Busch, Harrison, and Donoghue ~~Donoghue~~ Donoghue, C. Mitchell,
Gordon, Boston, Barve, Krysiak, Walkup, and Goldwater

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Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 14, 1996

CHAPTER ____

1 AN ACT concerning

2 Health Insurance - Unfair Trade Practices - Discrimination Against Enrollees

3 FOR the purpose of making it an unfair trade practice for certain health networks to
4 deny health care services to enrollees under certain circumstances; defining certain
5 terms; and generally relating to a prohibition against health networks from
6 discriminating against enrollees under certain circumstances.

7 BY repealing and reenacting, without amendments,
8 Article 48A - Insurance Code
9 Section 215
10 Annotated Code of Maryland
11 (1994 Replacement Volume and 1995 Supplement)

12 BY adding to
13 Article 48A - Insurance Code
14 Section 230B
15 Annotated Code of Maryland
16 (1994 Replacement Volume and 1995 Supplement)

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

19 **Article 48A - Insurance Code**

20 215.

21 (a) If, after a hearing thereon of which notice of such hearing and of the charges
22 against him were given such person, the Commissioner finds that any person in this State

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1 has engaged or is engaging in any act or practice defined in or prohibited under this
2 subtitle, the Commissioner shall order such person to cease and desist from such acts or
3 practices.

4 (b) Such cease and desist order shall become final upon expiration of the time
5 allowed for appeals from the Commissioner's orders, if no such appeal is taken, or, in
6 event of such an appeal, upon final decision of the court if the court affirms the
7 Commissioner's order or dismisses the appeal. An intervenor in such hearing shall have
8 the right to appeal as provided in § 216.

9 (c) In event of such an appeal, to the extent that the Commissioner's order is
10 affirmed the court shall issue its own order commanding obedience to the terms of the
11 Commissioner's order.

12 (d) No order of the Commissioner pursuant to this section or order of court to
13 enforce it shall in any way relieve or absolve any person affected by such order from any
14 other liability, penalty, or forfeiture under law.

15 (e) Violation of any such desist order shall be deemed to be and shall be
16 punishable as a violation of this article.

17 (f) This section shall not be deemed to affect or prevent the imposition of any
18 penalty provided by this article or by other law for violation of any other provision of this
19 subtitle, whether or not any such hearing is called or held or such desist order issued.

20 230B.

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED.

23 (2) "ENROLLEE" MEANS ANY INDIVIDUAL OR MEMBER OF AN
24 ASSOCIATION OR OTHER PRIVATE GROUP ARRANGEMENT ENTITLED TO HEALTH
25 CARE SERVICES FROM A HEALTH NETWORK.

26 (3) "HEALTH CARE SERVICE" HAS THE MEANING STATED IN § 19-701 OF
27 THE HEALTH - GENERAL ARTICLE.

28 (4) "HEALTH NETWORK" MEANS ANY ENTITY THAT HOLDS A
29 CERTIFICATE OF AUTHORITY UNDER THIS ARTICLE OR TITLE 19, SUBTITLE 7 OF THE
30 HEALTH - GENERAL ARTICLE AND THAT IS ORGANIZED TO PROVIDE HEALTH CARE
31 SERVICES TO INDIVIDUALS OR TO AN ENROLLED POPULATION IN A REGIONAL OR
32 SERVICE AREA.

33 (B) A HEALTH NETWORK MAY NOT DENY HEALTH CARE SERVICES TO ANY
34 ENROLLEE ON THE BASIS OF GENDER, RACE, AGE, RELIGION, NATIONAL ORIGIN, OR
35 A PROTECTED CATEGORY UNDER THE AMERICANS WITH DISABILITIES ACT.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 October 1, 1996.

