
By: Delegates Love, Krysiak, Doory, Barve, Kirk, Harrison, Donoghue, Kach, V. Mitchell, Eckardt, Goldwater, Boston, Walkup, Frank, Pitkin, Crumlin, Kelly, Pendergrass, Exum, Nathan-Pulliam, and Conroy

Introduced and read first time: February 2, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 Health Maintenance Organizations - Reimbursement to Providers of Emergency Services

3 FOR the purpose of requiring health maintenance organizations to reimburse emergency
4 facilities and providers for certain services provided to members or subscribers
5 under certain circumstances; prohibiting health maintenance organizations from
6 requiring certain providers to obtain approval before rendering services in order to
7 obtain reimbursement; allowing health maintenance organizations to collect
8 payment from members or subscribers for certain services under certain conditions;
9 repealing certain provisions that encourage health maintenance organizations to use
10 noncontracting providers; altering certain requirements related to information
11 health maintenance organizations provide to members related to emergency
12 services; requiring a certain study on the cost of a certain emergency room
13 screening; and generally relating to emergency services for members of health
14 maintenance organizations.

15 BY repealing and reenacting, with amendments,
16 Article - Health - General
17 Section 19-705.1(b) and 19-716
18 Annotated Code of Maryland
19 (1990 Replacement Volume and 1995 Supplement)

20 BY repealing
21 Article - Health - General
22 Section 19-710(q)
23 Annotated Code of Maryland
24 (1990 Replacement Volume and 1995 Supplement)

25 BY adding to
26 Article - Health - General
27 Section 19-712.5
28 Annotated Code of Maryland
29 (1990 Replacement Volume and 1995 Supplement)

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

3 **Article - Health - General**

4 19-705.1.

5 (b) The standards of quality of care shall include:

6 (1) (i) A requirement that a health maintenance organization shall
7 provide for regular hours during which a member may receive services, including
8 providing for services to a member in a timely manner that takes into account the
9 immediacy of need for services; and

10 (ii) Provisions for assuring that all covered services, including any
11 services for which the health maintenance organization has contracted, are accessible to
12 the enrollee with reasonable safeguards with respect to geographic locations.

13 (2) [(i)] A requirement that a health maintenance organization shall have a
14 system for providing a member with 24-hour access to a physician in cases where there is
15 an immediate need for medical services, including providing 24-hour access by telephone
16 to a person who is able to appropriately respond to calls from members and providers
17 concerning after-hours care;

18 [(ii)] To meet this requirement for off-hour services, the health
19 maintenance organization may provide for access to a physician who doesnot have a
20 contract with the health maintenance organization or a facility, such as a hospital
21 emergency room; and

22 (iii) If a physician who does not have a contract with a health
23 maintenance organization is used or a facility that is not connected with a health
24 maintenance organization is used, the health maintenance organization shall:

25 1. Develop and publicize procedures to assure that the health
26 maintenance organization is notified of the services and receives adequate documentation
27 of the services;

28 2. Develop and provide informational materials to all
29 subscribers and enrollees of the health maintenance organization that clearly describe
30 and inform subscribers and enrollees of their potential responsibility for payment for
31 services rendered by a health care provider, including a physician or hospital, that does
32 not have a written contract with the health maintenance organization; and

33 3. Develop and provide specific information to all subscribers
34 and enrollees of the health maintenance organization that clearly describes the
35 procedures to be followed for emergency services, including:

36 A. The appropriate use of hospital emergency rooms;

37 B. The appropriate use, location, and hours of operation of any
38 urgent care facilities operated by the health maintenance organization;and

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1 C. The potential responsibility of subscribers and enrollees for
2 payment for emergency services or nonemergency services rendered in a hospital
3 emergency facility pursuant to § 19-710(q) of this subtitle;]

4 (3) A REQUIREMENT THAT A HEALTH MAINTENANCE ORGANIZATION
5 HAVE PROCEDURES TO ASSURE THAT IT IS NOTIFIED OF SERVICES RENDERED TO A
6 MEMBER BY A PROVIDER THAT DOES NOT HAVE A CONTRACT WITH THE HEALTH
7 MAINTENANCE ORGANIZATION AND THAT IT OBTAINS ADEQUATE
8 DOCUMENTATION OF THE MEDICAL COMPLAINT OF THE MEMBER AND THE
9 SERVICES RENDERED;

10 [(3)] (4) A requirement that a health maintenance organization shall have a
11 physician available at all times to provide diagnostic and treatment services;

12 [(4)] (5) A requirement that a health maintenance organization shall assure
13 that:

14 (i) Each member who is seen for a medical complaint is evaluated
15 under the direction of a physician; and

16 (ii) Each member who receives diagnostic evaluation or treatment is
17 under the direct medical management of a health maintenance organization physician
18 who provides continuing medical management; and

19 [(5)] (6) A requirement that each member shall have an opportunity to
20 select a primary physician from among those available to the health maintenance
21 organization.

22 19-710.

23 [(q) Notwithstanding any other provision of this section, a hospitalemergency
24 facility may collect or attempt to collect payment from a subscriber or enrollee for health
25 care services provided to that subscriber or enrollee for a medical condition that is
26 determined not to be an emergency as defined in § 19-701 (d) of this subtitle.]

27 19-712.5.

28 (A) A HEALTH MAINTENANCE ORGANIZATION SHALL REIMBURSE A
29 HOSPITAL EMERGENCY FACILITY AND PROVIDER, LESS ANY APPLICABLE
30 CO-PAYMENTS, FOR MEDICALLY NECESSARY SERVICES PROVIDED TO A MEMBER
31 OR SUBSCRIBER OF THE HEALTH MAINTENANCE ORGANIZATION IF THE HEALTH
32 MAINTENANCE ORGANIZATION AUTHORIZED, DIRECTED, REFERRED, OR
33 OTHERWISE ALLOWED THE MEMBER OR SUBSCRIBER TO USE THE EMERGENCY
34 FACILITY AND THE MEDICALLY NECESSARY SERVICES ARE RELATED TO THE
35 CONDITION FOR WHICH THE MEMBER WAS ALLOWED TO USE THE EMERGENCY
36 FACILITY.

37 (B) A HEALTH MAINTENANCE ORGANIZATION SHALL REIMBURSE A
38 HOSPITAL EMERGENCY FACILITY AND PROVIDER, LESS ANY APPLICABLE
39 CO-PAYMENTS, FOR MEDICALLY NECESSARY SERVICES THAT RELATE TO THE
40 CONDITION PRESENTED AND THAT ARE PROVIDED BY THE PROVIDER IN THE
41 EMERGENCY FACILITY TO A MEMBER OR SUBSCRIBER OF THE HEALTH
42 MAINTENANCE ORGANIZATION IF THE HEALTH MAINTENANCE ORGANIZATION

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1 FAILS TO PROVIDE 24-HOUR ACCESS IN ACCORDANCE WITH THE STANDARDS OF
2 QUALITY OF CARE REQUIRED UNDER § 19-705.1(B)(2) OF THIS SUBTITLE.

3 (C) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, A
4 PROVIDER MAY NOT BE REQUIRED TO OBTAIN PRIOR AUTHORIZATION OR
5 APPROVAL FOR PAYMENT FROM A HEALTH MAINTENANCE ORGANIZATION IN
6 ORDER TO OBTAIN REIMBURSEMENT UNDER SUBSECTION (A) OR (B) OF THIS
7 SECTION.

8 (D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A
9 HOSPITAL EMERGENCY FACILITY OR PROVIDER OR A HEALTH MAINTENANCE
10 ORGANIZATION THAT HAS REIMBURSED A PROVIDER MAY COLLECT OR ATTEMPT
11 TO COLLECT PAYMENT FROM A MEMBER OR SUBSCRIBER FOR HEALTH CARE
12 SERVICES PROVIDED FOR A MEDICAL CONDITION THAT IS DETERMINED NOT TO BE
13 AN EMERGENCY AS DEFINED IN § 19-701(D) OF THIS SUBTITLE.

14 19-716.

15 Annually, each health maintenance organization shall provide to its members and
16 make available to the general public, in clear, readable, and concise form:

17 (1) A summary of the most recent financial report that the health
18 maintenance organization submits to the Commissioner under § 19-717 of this subtitle;

19 (2) A description of the benefit packages available and the nongroup rates
20 required by the Commissioner;

21 (3) A description of the accessibility and availability of services, including
22 where and how to obtain them;

23 (4) A STATEMENT OF THE POTENTIAL RESPONSIBILITY OF A MEMBER
24 FOR PAYMENT FOR SERVICES THE MEMBER SEEKS TO OBTAIN FROM A PROVIDER,
25 INCLUDING A PHYSICIAN OR HOSPITAL, THAT DOES NOT HAVE A WRITTEN
26 CONTRACT WITH THE HEALTH MAINTENANCE ORGANIZATION;

27 (5) A DESCRIPTION OF PROCEDURES TO BE FOLLOWED FOR
28 EMERGENCY SERVICES, INCLUDING:

29 (I) THE APPROPRIATE USE OF HOSPITAL EMERGENCY FACILITIES;

30 (II) THE APPROPRIATE USE, LOCATION, AND HOURS OF
31 OPERATION OF ANY URGENT CARE FACILITIES OPERATED BY THE HEALTH
32 MAINTENANCE ORGANIZATION; AND

33 (III) THE POTENTIAL RESPONSIBILITY OF SUBSCRIBERS AND
34 ENROLLEES FOR PAYMENT FOR EMERGENCY SERVICES OR NONEMERGENCY
35 SERVICES RENDERED IN A HOSPITAL EMERGENCY FACILITY;

36 [(4)] (6) A statement that shows, by category, the percentage of members
37 assisted by public funds;

38 [(5)] (7) The information required to be disclosed by Article 48A, § 703(c)
39 of the Code; and

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1 [(6)] (8) Any other information that the Commissioner or the Department
2 requires by rule or regulation.

3 SECTION 2. AND BE IT FURTHER ENACTED, That, immediately upon
4 enactment of this Act, the Health Resources Cost Review Commission shall begin to
5 conduct a study and determine the cost to an emergency provider of conducting a medical
6 screening that meets the requirements of the federal Emergency Medical Treatment and
7 Active Labor Act. On or before December 1, 1996, the results of the study shall be
8 presented to the Governor and, in accordance with § 2-1312 of the StateGovernment
9 Article, to the General Assembly.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 1996.