
By: Delegate Billings

Requested: October 25, 1996

Introduced and read first time: January 8, 1997

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Civil Actions - Health Maintenance Organizations - Liability for Damages**

3 FOR the purpose of providing that a health maintenance organization is liable for
4 damages arising out of the health maintenance organization's failure to approve a
5 covered service or benefit under certain circumstances; providing for the application
6 of this Act; and generally relating to the liability of health maintenance
7 organizations.

8 BY adding to

9 Article - Courts and Judicial Proceedings
10 Section 3-1401 to be under the new subtitle "Subtitle 14. Health Maintenance
11 Organizations"
12 Annotated Code of Maryland
13 (1995 Replacement Volume and 1996 Supplement)

14 BY adding to

15 Article - Health - General
16 Section 19-736
17 Annotated Code of Maryland
18 (1996 Replacement Volume and 1996 Supplement)

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

21 **Article - Courts and Judicial Proceedings**

22 SUBTITLE 14. HEALTH MAINTENANCE ORGANIZATIONS.

23 3-1401.

24 A HEALTH MAINTENANCE ORGANIZATION IS LIABLE IN A CIVIL ACTION FOR
25 ANY DAMAGES ARISING OUT OF THE HEALTH MAINTENANCE ORGANIZATION'S
26 FAILURE TO APPROVE A COVERED SERVICE OR BENEFIT IF THE SERVICE OR
27 BENEFIT IS RECOMMENDED BY A PROVIDER THAT HAS A CONTRACT WITH THE
28 HEALTH MAINTENANCE ORGANIZATION TO PROVIDE HEALTH CARE SERVICES TO
29 ITS ENROLLEES OR SUBSCRIBERS.

2

1 **Article - Health - General**

2 19-736.

3 A HEALTH MAINTENANCE ORGANIZATION IS LIABLE FOR DAMAGES IN
4 ACCORDANCE WITH TITLE 3, SUBTITLE 14 OF THE COURTS ARTICLE.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed
6 only prospectively and may not be applied or interpreted to have any effect on or
7 application to any case filed before the effective date of this Act.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 1997.