

CF 7r1968

By: Delegates Barve and Goldwater

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 Health Insurance - Health Care Practitioners - Retroactive Denials of Reimbursement

3 FOR the purpose of restricting the time period during which certain health insurance
4 carriers may retroactively deny reimbursement to health care practitioners under
5 certain circumstances; requiring certain health insurance carriers to provide a
6 certain statement; prohibiting certain health insurance carriers from retroactively
7 denying reimbursement or attempting to retroactively collect reimbursement
8 already paid to health care practitioners under certain circumstances; and generally
9 relating to retroactive denials of reimbursement to health care practitioners.

10 BY repealing and reenacting, with amendments,

11 Article - Insurance

12 Section 15-113

13 Annotated Code of Maryland

14 (1995 Volume and 1996 Supplement)

15 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

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

18 **Article - Insurance**

19 15-113.

20 (a) (1) In this section the following words have the meanings indicated.

21 (2) "Carrier" means:

22 (i) an insurer;

23 (ii) a nonprofit health service plan;

24 (iii) a health maintenance organization;

25 (iv) a dental plan organization; or

26 (v) any other person that provides health benefit plans subject to
27 regulation by the State.

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1 (3) "Health care practitioner" means an individual who is licensed, certified,
2 or otherwise authorized under the Health Occupations Article to provide health care
3 services.

4 (b) A carrier may not reimburse a health care practitioner in an amount less than
5 the sum or rate negotiated in the carrier's provider contract with the health care
6 practitioner.

7 (C) (1) IF A CARRIER RETROACTIVELY DENIES REIMBURSEMENT TO A
8 HEALTH CARE PRACTITIONER, THE CARRIER:

9 (I) MAY ONLY RETROACTIVELY DENY REIMBURSEMENT DURING
10 THE 6-MONTH PERIOD AFTER THE DATE THAT THE HEALTH CARE PRACTITIONER
11 SUBMITTED THE CLAIM TO THE CARRIER FOR REIMBURSEMENT; AND

12 (II) SHALL PROVIDE THE HEALTH CARE PRACTITIONER WITH A
13 WRITTEN STATEMENT SPECIFYING THE BASIS FOR THE RETROACTIVE DENIAL.

14 (2) EXCEPT IN CASES OF FRAUD OR IMPROPER CODING BY A HEALTH
15 CARE PRACTITIONER, A CARRIER THAT DOES NOT COMPLY WITH THE PROVISIONS
16 OF PARAGRAPH (1) OF THIS SUBSECTION MAY NOT RETROACTIVELY DENY
17 REIMBURSEMENT OR ATTEMPT IN ANY MANNER TO RETROACTIVELY COLLECT
18 REIMBURSEMENT ALREADY PAID TO A HEALTH CARE PRACTITIONER BY REDUCING
19 REIMBURSEMENTS CURRENTLY OWED TO THE HEALTH CARE PRACTITIONER,
20 WITHHOLDING FUTURE REIMBURSEMENT, OR IN ANY OTHER MANNER AFFECTING
21 THE FUTURE REIMBURSEMENT TO THE HEALTH CARE PRACTITIONER.

22 [(c)] (D) This section does not prohibit a carrier from providing bonuses or other
23 incentive-based compensation to a health care practitioner if the bonus or other
24 incentive-based compensation does not:

25 (1) violate § 19-705.1 of the Health - General Article; or

26 (2) deter the delivery of medically appropriate care to an enrollee.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1997.