

HOUSE BILL 78

Unofficial Copy
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HB 70/97 - JUD

1998 Regular Session
8lr0817

(PRE-FILED)

By: **Delegates Grosfeld and Billings**

Requested: November 14, 1997

Introduced and read first time: January 14, 1998

Assigned to: Judiciary and Economic Matters

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
5 a covered service or benefit under certain circumstances; providing for the
6 application of this Act; and generally relating to the liability of health
7 maintenance organizations.

8 BY adding to

9 Article - Courts and Judicial Proceedings

10 Section 3-1501 to be under the new subtitle "Subtitle 15. Health Maintenance
11 Organizations"

12 Annotated Code of Maryland

13 (1995 Replacement Volume and 1997 Supplement)

14 BY adding to

15 Article - Health - General

16 Section 19-736

17 Annotated Code of Maryland

18 (1996 Replacement Volume and 1997 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 15. HEALTH MAINTENANCE ORGANIZATIONS.**

23 3-1501.

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

1 BENEFIT IS RECOMMENDED BY A PROVIDER THAT HAS A CONTRACT WITH THE
2 HEALTH MAINTENANCE ORGANIZATION TO PROVIDE HEALTH CARE SERVICES TO ITS
3 ENROLLEES OR SUBSCRIBERS.

4

Article - Health - General

5 19-736.

6 A HEALTH MAINTENANCE ORGANIZATION IS LIABLE FOR DAMAGES IN
7 ACCORDANCE WITH TITLE 3, SUBTITLE 15 OF THE COURTS ARTICLE.

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

11 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 1998.