

HOUSE BILL 345

Unofficial Copy
C3

1999 Regular Session
9r1687
CF 9r1606

By: **Delegate Donoghue**

Introduced and read first time: February 5, 1999

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Private Review Agents - Retroactive Adverse Decisions**

3 FOR the purpose of altering the circumstances under which a private review agent
4 may retrospectively render an adverse decision regarding preauthorized or
5 approved health care services; and generally relating to private review agents
6 and retroactive adverse decisions in health insurance.

7 BY repealing and reenacting, with amendments,
8 Article - Insurance
9 Section 15-10B-07(c)
10 Annotated Code of Maryland
11 (1997 Volume and 1998 Supplement)

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

14 **Article - Insurance**

15 15-10B-07.

16 (c) (1) Except as provided in paragraph (2) of this subsection, if a course of
17 treatment has been preauthorized or approved for a patient, a private review agent
18 may not retrospectively render an adverse decision regarding the preauthorized or
19 approved services delivered to that patient.

20 (2) A private review agent may retrospectively render an adverse
21 decision regarding preauthorized or approved services delivered to a patient if:

22 (i) [the patient, on the date the services were rendered, was not
23 insured by or an enrollee, subscriber, or member of the entity that the private review
24 agent is affiliated with, under contract with, or acting on behalf of;

25 (ii)] the information submitted to the private review agent
26 regarding the services to be delivered to the patient was fraudulent or intentionally
27 misrepresentative or critical information requested by the private review agent
28 regarding services to be delivered to the patient was omitted such that the private

1 review agent's determination would have been different had it known the critical
2 information; OR

3 [(iii) except for determinations of appropriateness or medical
4 necessity of the covered services that were preauthorized, the services would not be
5 covered in whole or in part under the policy or contract; or

6 (iv)] (II) the planned course of treatment for the patient that was
7 approved by the private review agent was not substantially followed by the provider.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 1999.