

HOUSE BILL 346

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1999 Regular Session
9r1792
CF 9r1631

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 - Retroactive Denial of Reimbursement - Improper**
3 **Coding**

4 FOR the purpose of defining what constitutes improper coding for the purposes of the
5 limitation of retroactive denial of reimbursement; and generally relating to
6 retroactive denial of reimbursement.

7 BY repealing and reenacting, with amendments,
8 Article - Insurance
9 Section 15-1008
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 15-1008.

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

17 (2) "Carrier" means:

18 (i) an insurer;

19 (ii) a nonprofit health service plan;

20 (iii) a health maintenance organization;

21 (iv) a dental plan organization; or

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

1 (3) "Health care provider" means a person or entity licensed, certified or
2 otherwise authorized under the Health Occupations Article or the Health - General
3 Article to provide health care services.

4 (4) "IMPROPER CODING" MEANS THE USE OF A PROCEDURAL CODE FOR
5 A PROCEDURE OR SERVICE DELIVERED, IN A SUBMISSION OF CLAIM INFORMATION,
6 THAT DOES NOT CONFORM WITH:

7 (I) THE VERSION OF THE AMERICAN MEDICAL ASSOCIATION'S
8 CLINICAL PROCEDURAL TERMINOLOGY CODE BOOK IN EFFECT ON THE DATE A
9 CLAIM WAS SUBMITTED TO A CARRIER FOR REIMBURSEMENT; OR

10 (II) THE CODING GUIDELINES THAT A CARRIER HAS PROVIDED IN
11 WRITING TO THE HEALTH CARE PROVIDER THAT ARE IN EFFECT ON THE DATE THAT
12 THE CLAIM WAS SUBMITTED TO THE CARRIER FOR REIMBURSEMENT.

13 (b) (1) If a carrier retroactively denies reimbursement to a health care
14 provider, the carrier:

15 (i) may only retroactively deny reimbursement for services subject
16 to coordination of benefits with another carrier, the Maryland Medical Assistance
17 Program, or the Medicare Program during the 18-month period after the date that
18 the carrier paid the claim submitted by the health care provider; and

19 (ii) except as provided in item (i) of this paragraph, may only
20 retroactively deny reimbursement during the 6-month period after the date that the
21 carrier paid the claim submitted by the health care provider.

22 (2) (i) A carrier that retroactively denies reimbursement to a health
23 care provider under paragraph (1) of this subsection shall provide the health care
24 provider with a written statement specifying the basis for the retroactive denial.

25 (ii) If the retroactive denial of reimbursement results from
26 coordination of benefits, the written statement shall provide the name and address of
27 the entity acknowledging responsibility for payment of the denied claim.

28 (c) Except as provided in subsection (d) of this section, a carrier that does not
29 comply with the provisions of subsection (b) of this section may not retroactively deny
30 reimbursement or attempt in any manner to retroactively collect reimbursement
31 already paid to a health care provider by reducing reimbursements currently owed to
32 the health care provider, withholding future reimbursement, or in any other manner
33 affecting the future reimbursement to the health care provider.

34 (d) The provisions of subsection (b)(1) of this section do not apply if a carrier
35 retroactively denies reimbursement to a health care provider because the information
36 submitted to the carrier was fraudulent or improperly coded.

37 (e) If a carrier retroactively denies reimbursement for services as a result of
38 coordination of benefits under provisions of subsection (b)(1)(i) of this section, the
39 health care provider shall have 6 months from the date of denial, unless a carrier

1 permits a longer time period, to submit a claim for reimbursement for the service to
2 the carrier, Maryland Medical Assistance Program, or Medicare Program responsible
3 for payment.

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