

SENATE BILL 350

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1999 Regular Session
(9r1606)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by ~~Senator Dorman~~ **Senators Dorman, Astle, Exum, Hafer, Kelley,
Roesser, and Teitelbaum**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - ~~Private Review Agents -~~ Coverage Determinations and**
3 **Retroactive Adverse Decisions**

4 FOR the purpose of ~~altering the circumstances under which a private review agent~~
5 ~~may retrospectively render an adverse decision regarding preauthorized or~~
6 ~~approved health care services; and generally relating to private review agents~~
7 ~~and retroactive adverse decisions in health insurance~~ repealing certain
8 circumstances under which a private review agent may render a retroactive
9 adverse decision for preauthorized health care services based on a lack of
10 coverage for an individual or a specific health care service; requiring that
11 certain group health insurance contracts contain a provision requiring certain
12 entities to continue to pay the premium for an insured individual until notice of
13 termination of coverage for that individual has been received by the carrier; and
14 generally relating to coverage determinations by insurers and retroactive
15 adverse decisions based on such determinations.

16 BY repealing and reenacting, with amendments,

1 Article - Insurance
 2 Section 15-10B-07(c)
 3 Annotated Code of Maryland
 4 (1997 Volume and 1998 Supplement)

5 BY adding to
 6 Article - Insurance
 7 Section 15-303(f)
 8 Annotated Code of Maryland
 9 (1997 ~~Replacement~~ Volume and 1998 Supplement)

10 BY adding to
 11 Article - Health - General
 12 Section 19-706(ff)
 13 Annotated Code of Maryland
 14 (1996 Replacement Volume and 1998 Supplement)

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

17 **Article - Insurance**

18 15-303.

19 (F) EACH POLICY OF GROUP HEALTH INSURANCE SHALL CONTAIN A
 20 PROVISION THAT REQUIRES THE EMPLOYER, LABOR UNION, ASSOCIATION, OR
 21 OTHER ENTITY TO WHICH A POLICY OF GROUP HEALTH INSURANCE HAS BEEN
 22 ISSUED TO CONTINUE TO PAY THE PREMIUM FOR AN EMPLOYEE, MEMBER, OR
 23 DEPENDENT UNDER THE POLICY UNTIL NOTICE OF TERMINATION OF COVERAGE
 24 HAS BEEN RECEIVED BY THE INSURER.

25 15-10B-07.

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

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

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

35 (ii) the information submitted to the private review agent
 36 regarding the services to be delivered to the patient was fraudulent or intentionally

1 misrepresentative or critical information requested by the private review agent
2 regarding services to be delivered to the patient was omitted such that the private
3 review agent's determination would have been different had it known the critical
4 information; OR

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

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

10

Article - Health - General

11 19-706.

12 (FF) THE PROVISIONS OF § 15-303(F) OF THE INSURANCE ARTICLE APPLY TO
13 HEALTH MAINTENANCE ORGANIZATIONS.

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