

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE  
Revised

House Bill 639 (Delegate Goldwater, *et al.*)

Economic Matters

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Health Insurance - Payment of Claims

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This bill extends the payment of claims requirements currently applicable to insurers and nonprofit health service plans to HMOs and Medicaid Managed Care Organizations (MCOs).

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Fiscal Summary

**State Effect:** Any additional consumer complaints against providers that are filed with the Maryland Insurance Administration can be handled with existing resources. No effect on Medicaid or the State Employee Health Benefits Plan. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

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Fiscal Analysis

**State Effect:** The bill makes HMOs and MCOs subject to the same claims payment requirements that currently apply to other carriers. HMOs and MCOs thus must allow providers up to six months to submit claims, and must pay claims within 30 days or give the providers notice that additional documentation is necessary to pay claims. If an HMO or MCO fails to comply with the prompt payment provisions, the HMO or MCO must pay interest on the unpaid claims.

The Maryland Insurance Administration (MIA) handles consumer complaints against providers. The bill's requirements may result in some additional provider complaints, which

can be handled with existing MIA resources.

Expenditures for the Medicaid program will not be affected.

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**Information Source(s):** Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), CareFirst Blue Cross Blue Shield, Department of Health and Mental Hygiene (Medicaid), Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 1999

dmm/ir Revised - House Third Reader - March 26, 1999

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