

HOUSE BILL 6

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2000 Regular Session
0lr0818

(PRE-FILED)

By: **Delegates Hurson, Taylor, Dewberry, Arnick, Busch, Guns, Harrison, Hixson, Howard, Kopp, Menes, Montague, Owings, Rawlings, Rosenberg, Vallario, and Wood Wood, W. Baker, Barkley, Bobo, Bronrott, Brown, Cadden, Cane, Clagett, Conroy, DeCarlo, Doory, Dypski, Finifter, Franchot, Frush, Giannetti, Goldwater, Griffith, Hammen, Healey, Hecht, Hubers, James, V. Jones, Krysiak, Love, Malone, Mandel, Marriott, McHale, McIntosh, Moe, Morhaim, Nathan-Pulliam, Patterson, Pendergrass, Petzold, Pitkin, Proctor, Rosso, Sophocleus, Stern, Turner, Valderrama, Weir, and Zirkin**

Requested: November 15, 1999
Introduced and read first time: January 12, 2000
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: February 29, 2000

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Coverage for ~~Rehabilitation~~ Habilitative Services for**
3 **Children**

4 FOR the purpose of ~~prohibiting certain health insurers, nonprofit health service~~
5 ~~plans, and health maintenance organizations that provide certain coverage for~~
6 ~~rehabilitation for certain children from denying certain coverage for certain~~
7 ~~reasons~~ requiring certain health insurers, nonprofit health service plans, and
8 health maintenance organizations to provide certain coverage of habilitative
9 services for certain children; specifying that certain habilitative services do not
10 have to be covered by certain entities; requiring certain health insurers,
11 nonprofit health service plans, and health maintenance organizations to provide
12 notice of certain coverage to its insureds and enrollees; providing for the effect of
13 this Act defining certain terms; requiring the Maryland Health Care
14 Commission to submit a certain report to the House Economic Matters
15 Committee and the Senate Finance Committee on or before a certain date;
16 providing for the application of this Act; and generally relating to coverage for
17 ~~rehabilitation~~ of habilitative services for children by health insurers, nonprofit
18 health service plans, and health maintenance organizations.

1 BY adding to
 2 Article - Insurance
 3 Section 15-835
 4 Annotated Code of Maryland
 5 (1997 Volume and 1999 Supplement)

6 BY adding to
 7 Article - Health - General
 8 Section 19-706(nn)
 9 Annotated Code of Maryland
 10 (1996 Replacement Volume and 1999 Supplement)

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

13 **Article - Insurance**

14 15-835.

15 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 16 INDICATED.

17 (2) "HABILITATIVE SERVICES" MEANS SERVICES, INCLUDING
 18 OCCUPATIONAL THERAPY, PHYSICAL THERAPY, AND SPEECH THERAPY, FOR THE
 19 TREATMENT OF A CHILD WITH CONGENITAL AND GENETIC BIRTH DEFECTS TO
 20 ENHANCE THE CHILD'S ABILITY TO FUNCTION.

21 (3) "MANAGED CARE SYSTEM" MEANS A METHOD THAT AN INSURER, A
 22 NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE ORGANIZATION
 23 USES TO REVIEW AND PREAUTHORIZE A TREATMENT PLAN THAT A HEALTH CARE
 24 PRACTITIONER DEVELOPS FOR A COVERED PERSON USING A VARIETY OF COST
 25 CONTAINMENT METHODS TO CONTROL UTILIZATION, QUALITY, AND CLAIMS.

26 ~~(A)~~ (B) THIS SECTION APPLIES TO:

27 (1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE
 28 HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS ON AN
 29 EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS
 30 THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

31 (2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE HOSPITAL,
 32 MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS UNDER CONTRACTS
 33 THAT ARE ISSUED OR DELIVERED IN THE STATE.

34 ~~(B) AN ENTITY SUBJECT TO THIS SECTION THAT PROVIDES COVERAGE FOR~~
 35 ~~REHABILITATION FOR A CHILD WHO IS COVERED THROUGH AN INSURED OR~~
 36 ~~ENROLLED PARENT OF THE CHILD MAY NOT REFUSE TO PROVIDE THAT COVERAGE~~

1 ~~BECAUSE THE REHABILITATION IS NEEDED AS A RESULT OF A CONDITION THAT WAS~~
 2 ~~PRESENT WHEN THE CHILD WAS BORN.~~

3 (C) (1) AN ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE COVERAGE
 4 OF HABILITATIVE SERVICES FOR CHILDREN UNDER THE AGE OF 19 YEARS THROUGH
 5 A MANAGED CARE SYSTEM.

6 (2) AN ENTITY SUBJECT TO THIS SECTION IS NOT REQUIRED TO
 7 PROVIDE REIMBURSEMENT FOR HABILITATIVE SERVICES DELIVERED THROUGH
 8 EARLY INTERVENTION OR SCHOOL SERVICES.

9 ~~(C) THIS SECTION DOES NOT PROHIBIT AN ENTITY SUBJECT TO THIS SECTION~~
 10 ~~FROM PROVIDING COVERAGES THAT ARE GREATER OR MORE FAVORABLE TO A~~
 11 ~~CHILD OF AN INSURED OR ENROLLEE THAN THE COVERAGE REQUIRED UNDER THIS~~
 12 ~~SECTION.~~

13 (D) AN ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE NOTICE
 14 ANNUALLY TO ITS INSURED AND ENROLLEES ABOUT THE COVERAGE REQUIRED
 15 UNDER THIS SECTION.

16 **Article - Health - General**

17 19-706.

18 (NN) THE PROVISIONS OF § 15-835 OF THE INSURANCE ARTICLE SHALL APPLY
 19 TO HEALTH MAINTENANCE ORGANIZATIONS.

20 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December
 21 31, 2000, the Maryland Health Care Commission, in accordance with § 2-1246 of the
 22 State Government Article, shall submit to the House Economic Matters Committee
 23 and the Senate Finance Committee a report detailing the financial, medical, and
 24 social impact of the coverage required under this Act.

25 ~~SECTION 2: 3. AND BE IT FURTHER ENACTED, That this Act shall apply~~
 26 ~~applies to all policies, contracts, and health benefit plans issued, delivered, or~~
 27 ~~renewed in the State on or after October 1, 2000. Any policy, contract, or health~~
 28 ~~benefit plan in effect before October 1, 2000, shall comply with the provisions of this~~
 29 ~~Act by October 1, 2001.~~

30 ~~SECTION 3: 4. AND BE IT FURTHER ENACTED, That this Act shall take~~
 31 ~~effect October 1, 2000.~~

