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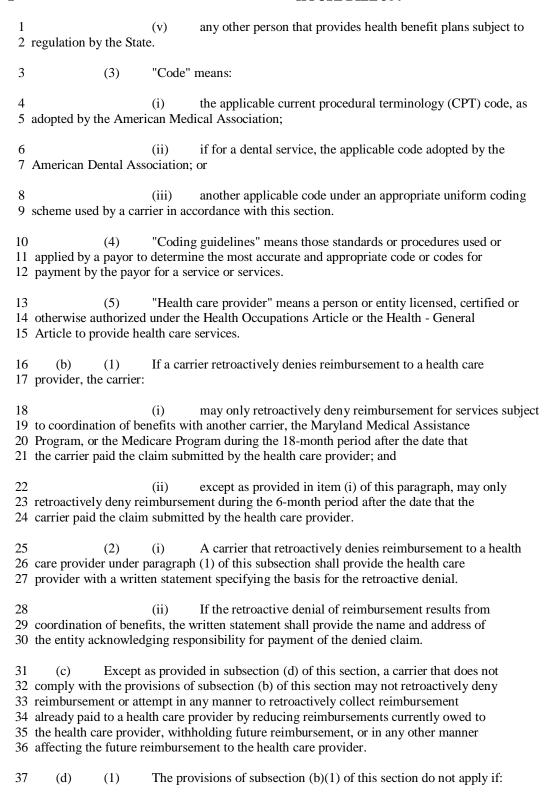
By: Delegate Donoghue Introduced and read first time: January 28, 2000 Assigned to: Economic Matters A BILL ENTITLED 1 AN ACT concerning 2 Health Insurance - Preauthorized Health Care Services - Denials of 3 **Reimbursement by Carriers** 4 FOR the purpose of prohibiting certain health insurance carriers from denying 5 reimbursement to a health care provider for preauthorized or approved services 6 delivered to a patient if a course of treatment has been preauthorized or 7 approved for the patient; providing certain exceptions; and generally relating to 8 denials of reimbursement by carriers for preauthorized or approved services 9 delivered to a patient. 10 BY repealing and reenacting, with amendments, Article - Insurance 11 12 Section 15-1008 Annotated Code of Maryland 13 14 (1997 Volume and 1999 Supplement) SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 15 16 MARYLAND, That the Laws of Maryland read as follows: 17 Article - Insurance 18 15-1008. In this section the following words have the meanings indicated. 19 (a) (1) "Carrier" means: 20 (2) 21 (i) an insurer;

a nonprofit health service plan;

a dental plan organization; or

a health maintenance organization;

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	(i) a carrier retroactively denies reimbursement to a health care provider because the information submitted to the carrier was fraudulent or improperly coded; and
6	(ii) in the case of improper coding, the carrier has provided to the health care provider sufficient information regarding the coding guidelines used by the carrier at least 30 days prior to the date the services subject to the retroactive denial were rendered.
	(2) Information submitted to the carrier may be considered to be improperly coded under paragraph (1) of this subsection if the information submitted to the carrier by the health care provider:
11 12	(i) uses codes that do not conform with the coding guidelines used by the carrier applicable as of the date the service or services were rendered; or
	(ii) does not otherwise conform with the contractual obligations of the health care provider to the carrier applicable as of the date the service or services were rendered.
18 19 20	(e) If a carrier retroactively denies reimbursement for services as a result of coordination of benefits under provisions of subsection (b)(1)(i) of this section, the health care provider shall have 6 months from the date of denial, unless a carrier permits a longer time period, to submit a claim for reimbursement for the service to the carrier, Maryland Medical Assistance Program, or Medicare Program responsible for payment.
24	(F) IF A COURSE OF TREATMENT FOR A PATIENT HAS BEEN PREAUTHORIZED OR APPROVED BY A CARRIER, THE CARRIER MAY NOT DENY REIMBURSEMENT TO A HEALTH CARE PROVIDER FOR THE PREAUTHORIZED OR APPROVED SERVICES DELIVERED TO THAT PATIENT UNLESS:
28 29 30	(1) THE INFORMATION SUBMITTED TO THE CARRIER REGARDING THE SERVICES TO BE DELIVERED TO THE PATIENT WAS FRAUDULENT OR INTENTIONALLY MISREPRESENTATIVE OR CRITICAL INFORMATION REQUESTED BY THE CARRIER REGARDING SERVICES TO BE DELIVERED TO THE PATIENT WAS OMITTED SUCH THAT THE CARRIER'S DETERMINATION WOULD HAVE BEEN DIFFERENT HAD IT KNOWN THE CRITICAL INFORMATION; OR
	(2) THE PLANNED COURSE OF TREATMENT FOR THE PATIENT THAT WAS APPROVED BY THE CARRIER WAS NOT SUBSTANTIALLY FOLLOWED BY THE HEALTH CARE PROVIDER.
35 36	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2000.