

**Department of Legislative Services  
Maryland General Assembly  
2001 Session**

**FISCAL NOTE  
Revised**

Senate Bill 591  
Finance

(Senator Teitelbaum)

Economic Matters

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**Health Insurance - Claims for Reimbursement for Health Care Services  
Rendered**

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This bill requires an insurer, nonprofit health service plan, or HMO (carrier) that wholly or partially denies a claim for reimbursement to permit a health care provider a minimum of six months after the date of denial to appeal the carrier's decision. The bill applies to claim denials made on or after October 1, 2001.

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**Fiscal Summary**

**State Effect:** The bill's requirements could be handled with the Maryland Insurance Administration's (MIA) existing, budgeted resources. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** Minimal. Health care providers that are small businesses would generally have a longer period in which to appeal denied claims.

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**Analysis**

**Current Law:** None applicable.

**State Fiscal Effect:** Many carriers limit the time in which a provider can appeal a denied claim to periods shorter than six months. Consequently, carriers would be required to revise their provider contracts to comply with the bill's requirements and file the revised contracts with the MIA. In addition, the number of complaints filed with the MIA by providers who allege that carriers are not complying with the bill's requirements could

increase. It is assumed that the number of provider contracts and provider complaints filed with the MIA would be minimal and could be handled with existing MIA budgeted resources.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1037 (Delegate Barve) – Economic Matters.

**Information Source(s):** Department of Health and Mental Hygiene (Health Services Cost Review Commission, Maryland Health Care Commission), Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Legislative Services

**Fiscal Note History:** First Reader –February 20, 2001  
ncs/jr Revised – Enrolled Bill – May 2, 2001

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