

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

House Bill 1037 (Delegate Barve)
Economic Matters

Finance

Health Insurance - Claims for Reimbursement for Health Care Services
Rendered

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 90 working days after the date of denial to appeal the carrier's decision.

The bill's provisions apply to claim denials made on or after October 1, 2001.

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.

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.

Additional Information

Prior Introductions: None.

Cross File: SB 591 (Senator Teitelbaum) – Finance.

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 15, 2001
mld/jr Revised – House Third Reader – March 20, 2001
Revised – Enrolled Bill – April 26, 2001

Analysis by: Susan D. John

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510