

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE**

**Revised**

House Bill 179 (Chairman, Economic Matters Committee)

(Departmental – Insurance Administration, Maryland)

Economic Matters

Finance

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**Health Insurance - Private Review Agents and Complaint Process**

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This departmental bill provides that HMOs are subject to current law governing: (1) private review agents and their internal grievance procedures; (2) a complaint process for coverage decisions; and (3) utilization review. In addition, the bill specifies that when a physician renders a grievance decision, the physician must be board certified or eligible in the same specialty as the treatment under review.

This bill takes effect January 1, 2002.

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**Fiscal Summary**

**State Effect:** None. This bill clarifies current law.

**Local Effect:** None.

**Small Business Effect:** The Maryland Insurance Administration (MIA) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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**Analysis**

**Current Law:** Section 15-10A-01 et seq. of the Insurance Article governs internal grievance procedures for insurers, nonprofit health service plans, and HMOs. Section 15-10B-01 et seq. governs private review agents and any internal grievance procedures

conducted by these agents. Section 15-10C-01 et seq. governs HMO medical directors. Section 15-10D-01 et seq. governs complaint processes for coverage decisions.

Section 15-10B-09.1 of the Insurance Article states that a grievance decision shall be made based on the professional judgment of a: (1) physician; or (2) panel of other appropriate health care service reviewers with at least one physician on the panel who is board certified or eligible in the same specialty as the treatment under review.

**Background:** Generally, the law governing grievance procedures, utilization review, private review agents, and HMO medical directors is contained in the Insurance Article. In addition, several provisions governing HMOs are contained in the Health General Article. This departmental bill adds references in the Health General Article to clarify that HMOs are subject to the grievance procedures contained in the Insurance Article.

In addition, this bill clarifies current law that requires a physician rendering a grievance decision to be board certified or eligible in the same specialty as the treatment under review. The MIA has received complaints from individuals filing grievances who were denied medically necessary services by a physician who may not have been qualified in the same specialty as the treatment under review. Some private review agents have interpreted current law to only require a physician to be qualified in the same specialty as the treatment under review when the physician is part of a review panel.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene (Medicaid, Boards and Commissions), Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader – January 23, 2001  
jm/jr Revised – House Third Reader – March 22, 2001

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