

HOUSE BILL 692

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2002 Regular Session
2lr0931

By: **Delegates Goldwater and Hurson, Hurson, and Lee**

Introduced and read first time: February 6, 2002

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 23, 2002

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Habilitative Services - Modification and Clarification**

3 FOR the purpose of specifying certain diseases and conditions that constitute
4 congenital or genetic birth defects in certain circumstances; providing that
5 certain determinations are considered adverse decisions; prohibiting certain
6 insurance carriers from requiring certain children to seek or receive habilitative
7 services in a certain manner; defining a certain term; altering a certain
8 definition; providing for the application of this Act; and generally relating to
9 habilitative services for children.

10 BY repealing and reenacting, with amendments,
11 Article - Insurance
12 Section 15-835
13 Annotated Code of Maryland
14 (1997 Volume and 2001 Supplement)

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

17 **Article - Insurance**

18 15-835.

19 (a) (1) In this section the following words have the meanings indicated.

20 (2) (I) "CONGENITAL OR GENETIC BIRTH DEFECT" MEANS A DEFECT
21 EXISTING AT OR FROM BIRTH, INCLUDING A HEREDITARY DEFECT.

1 (II) "CONGENITAL OR GENETIC BIRTH DEFECT" INCLUDES, BUT IS
2 NOT LIMITED TO:

- 3 1. AUTISM OR AN AUTISM SPECTRUM DISORDER; AND
4 2. CEREBRAL PALSY; OR
5 3. ~~A CONDITION OR DISEASE RELATED TO PREMATURE~~
6 ~~BIRTH.~~

7 [(2)] (3) "Habilitative services" means services, including occupational
8 therapy, physical therapy, and speech therapy, for the treatment of a child with A
9 congenital [and] OR genetic birth [defects] DEFECT to enhance the child's ability to
10 function.

11 [(3)] (4) "Managed care system" means a method that an insurer, a
12 nonprofit health service plan, or a health maintenance organization uses to review
13 and preauthorize a treatment plan that a health care practitioner develops for a
14 covered person using a variety of cost containment methods to control utilization,
15 quality, and claims.

16 (b) This section applies to:

17 (1) insurers and nonprofit health service plans that provide hospital,
18 medical, or surgical benefits to individuals or groups on an expense-incurred basis
19 under health insurance policies or contracts that are issued or delivered in the State;
20 and

21 (2) health maintenance organizations that provide hospital, medical, or
22 surgical benefits to individuals or groups under contracts that are issued or delivered
23 in the State.

24 (c) (1) An entity subject to this section shall provide coverage of habilitative
25 services for children under the age of 19 years and may do so through a managed care
26 system.

27 (2) (I) An entity subject to this section is not required to provide
28 reimbursement for habilitative services delivered through early intervention or school
29 services.

30 (II) AN ENTITY SUBJECT TO THIS SECTION MAY NOT REQUIRE A
31 CHILD TO SEEK OR RECEIVE HABILITATIVE SERVICES THROUGH EARLY
32 INTERVENTION OR SCHOOL BASED SERVICES.

33 (d) An entity subject to this section shall provide notice annually to its
34 insureds and enrollees about the coverage required under this section.

35 (E) A DETERMINATION BY AN ENTITY SUBJECT TO THIS SECTION DENYING A
36 REQUEST FOR HABILITATIVE SERVICES OR DENYING PAYMENT FOR HABILITATIVE
37 SERVICES ON THE GROUNDS THAT A CONDITION OR DISEASE IS NOT A CONGENITAL

1 OR GENETIC BIRTH DEFECT IS CONSIDERED AN "ADVERSE DECISION" UNDER §
2 15-10A-01 OF THIS ARTICLE.

3 SECTION 2. AND BE IT FURTHER ENACTED, That ~~all policies, contracts,~~
4 ~~and health benefit plans subject to the provisions of this Act shall make the benefits~~
5 ~~under this Act available on and after its effective date, notwithstanding any~~
6 ~~statement in the policy, contract, or health benefit plan to the contrary~~ this Act shall
7 apply to all policies, contracts, and health benefit plans issued, delivered, or renewed
8 in the State on or after October 1, 2002.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2002.