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By: **Delegate Harrison**  
Introduced and read first time: February 21, 2002  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Insurance - Claims by Members and Subscribers of Health**  
3 **Maintenance Organizations**

4 FOR the purpose of prohibiting a health maintenance organization from excluding or  
5 in any manner limiting coverage for a service or treatment otherwise covered  
6 under a contract or certificate issued to a member or subscriber under certain  
7 circumstances; defining the term "incurred" for purposes of determining which  
8 expenses are covered under personal injury protection insurance; providing  
9 that, for purposes of determining personal injury protection benefits, a collateral  
10 source of medical or hospital benefits does not include coverage provided under  
11 a health maintenance organization contract or certificate; requiring that  
12 personal injury protection and uninsured motorist benefits be reduced to the  
13 extent that the recipient has received or otherwise is eligible for benefits under  
14 certain provisions of law governing health maintenance organizations; and  
15 generally relating to benefits payable to members and subscribers of health  
16 maintenance organizations under personal injury protection and uninsured  
17 motorist insurance.

18 BY adding to  
19 Article - Health - General  
20 Section 19-713.1(g)  
21 Annotated Code of Maryland  
22 (2000 Replacement Volume and 2001 Supplement)

23 BY repealing and reenacting, with amendments,  
24 Article - Insurance  
25 Section 19-501, 19-507(a), and 19-513(e)  
26 Annotated Code of Maryland  
27 (1997 Volume and 2001 Supplement)

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

1 **Article - Health - General**

2 19-713.1.

3 (G) A HEALTH MAINTENANCE ORGANIZATION MAY NOT EXCLUDE OR IN ANY  
4 MANNER LIMIT COVERAGE FOR A SERVICE OR TREATMENT OTHERWISE COVERED  
5 UNDER A CONTRACT OR CERTIFICATE ISSUED TO A MEMBER OR SUBSCRIBER  
6 SOLELY ON THE BASIS THAT THE NEED FOR THE SERVICE OR TREATMENT AROSE  
7 FROM:

8 (1) A MOTOR VEHICLE ACCIDENT; OR

9 (2) ANY OTHER INCIDENT FOR WHICH A MEMBER OR SUBSCRIBER MAY  
10 HAVE A CAUSE OF ACTION AGAINST ANOTHER PERSON.

11 **Article - Insurance**

12 19-501.

13 (a) In this subtitle the following words have the meanings indicated.

14 (B) "INCURRED" MEANS EXPENSES FOR WHICH AN INDIVIDUAL, AS  
15 DESCRIBED IN § 19-505(A) OF THIS SUBTITLE, HAS OR MAY BECOME LEGALLY LIABLE  
16 TO PAY.

17 [(b)] (C) (1) "Motor vehicle" means a vehicle, including a trailer, that is  
18 operated or designed for operation on a public road by any power other than animal or  
19 muscular power.

20 (2) "Motor vehicle" does not include:

21 (i) a bus as defined in § 11-105 of the Transportation Article; or

22 (ii) a taxicab as defined in § 11-165 of the Transportation Article.

23 [(c)] (D) (1) "Motor vehicle accident" means an occurrence involving a motor  
24 vehicle that results in damage to property or injury to a person.

25 (2) "Motor vehicle accident" does not include an occurrence that is caused  
26 intentionally by or at the direction of the insured.

27 [(d)] (E) "Named insured" means the person denominated in the declarations  
28 in a motor vehicle liability insurance policy.

29 19-507.

30 (a) (1) The benefits described in § 19-505 of this subtitle shall be payable  
31 without regard to:

32 [(1)] (I) the fault or nonfault of the named insured or the recipient of  
33 benefits in causing or contributing to the motor vehicle accident; and

1                    [(2)]    (II)    any collateral source of medical, hospital, or wage continuation  
2 benefits.

3                    (2)    FOR PURPOSES OF THIS SUBSECTION, A COLLATERAL SOURCE OF  
4 MEDICAL OR HOSPITAL BENEFITS DOES NOT INCLUDE COVERAGE PROVIDED UNDER  
5 A HEALTH MAINTENANCE CONTRACT OR CERTIFICATE.

6 19-513.

7                    (e)    Benefits payable under the coverages described in §§ 19-505 and 19-509 of  
8 this subtitle shall be reduced to the extent that:

9                    (1)    the recipient has recovered benefits under the workers' compensation  
10 laws of a state or the federal government for which the provider of the workers'  
11 compensation benefits has not been reimbursed; OR

12                    (2)    THE RECIPIENT HAS RECEIVED OR OTHERWISE IS ELIGIBLE FOR  
13 BENEFITS UNDER TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE.

14                    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 October 1, 2002.