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By: Delegates Pendergrass, Barkley, Barve, Bobo, Conroy, Goldwater, Hubbard, Krysiak, Lee, Love, Mandel, Sophocleus, and F. Turner

Introduced and read first time: February 7, 2003 Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

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Health Maintenance Organizations - Definition of Covered Service

3 FOR the purpose of providing that a service covered by a health maintenance

- 4 organization be rendered pursuant to a certain referral or a certain approval;
- 5 providing for a certain exception; defining a certain term; providing for the
- 6 effective date of certain provisions of this Act; providing for the termination of
- 7 certain provisions of this Act; and generally relating to the definition of a service
- 8 covered by a health maintenance organization.

9 BY renumbering

- 10 Article Health General
- 11 Section 19-701(d) through (i), respectively
- 12 to be Section 19-701(e) through (j), respectively
- 13 Annotated Code of Maryland
- 14 (2000 Replacement Volume and 2002 Supplement)
- 15 BY repealing and reenacting, without amendments,
- 16 Article Health General
- 17 Section 19-701(a)
- 18 Annotated Code of Maryland
- 19 (2000 Replacement Volume and 2002 Supplement)
- 20 BY adding to
- 21 Article Health General
- 22 Section 19-701(d)
- 23 Annotated Code of Maryland
- 24 (2000 Replacement Volume and 2002 Supplement)
- 25 BY repealing and reenacting, with amendments,
- 26 Article Health General
- 27 Section 19-710.1(a) and (b)
- 28 Annotated Code of Maryland

- 1 (2000 Replacement Volume and 2002 Supplement)
- 2 BY repealing and reenacting, with amendments,
- 3 Article Health General
- 4 Section 19-710.1(a)
- 5 Annotated Code of Maryland
- 6 (2000 Replacement Volume and 2002 Supplement)
- 7 (As enacted by Chapter 275 of the Acts of the General Assembly of 2000)

8 BY repealing and reenacting, without amendments,

- 9 Article Health General
- 10 Section 19-710.1(b)
- 11 Annotated Code of Maryland
- 12 (2000 Replacement Volume and 2002 Supplement)
- 13 (As enacted by Chapter 275 of the Acts of the General Assembly of 2000)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

- 15 MARYLAND, That Section(s) 19-701(d) through (i), respectively, of Article Health -
- 16 General of the Annotated Code of Maryland be renumbered to be Section(s) 19-701(e)
- 17 through (j), respectively.

18 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland 19 read as follows:

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Article - Health - General

21 19-701.

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

(D) "COVERED SERVICE" MEANS A HEALTH CARE SERVICE INCLUDED IN THE
BENEFIT PACKAGE OF THE HEALTH MAINTENANCE ORGANIZATION AND RENDERED
TO AN ENROLLEE OF THE HEALTH MAINTENANCE ORGANIZATION BY A HEALTH
CARE PROVIDER, INCLUDING A PHYSICIAN OR HOSPITAL:

27 (1) PURSUANT TO A VERBAL OR WRITTEN REFERRAL BY THE
28 ENROLLEE'S HEALTH MAINTENANCE ORGANIZATION OR BY A PROVIDER UNDER
29 WRITTEN CONTRACT WITH THE ENROLLEE'S HEALTH MAINTENANCE
30 ORGANIZATION; OR

(2) THAT HAS BEEN PREAUTHORIZED OR OTHERWISE APPROVED
 EITHER VERBALLY OR IN WRITING BY THE ENROLLEE'S HEALTH MAINTENANCE
 ORGANIZATION OR A PROVIDER UNDER WRITTEN CONTRACT WITH THE ENROLLEE'S
 HEALTH MAINTENANCE ORGANIZATION.

35 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland 36 read as follows:

3			HOUSE BILL 656	
1			Article - Health - General	
2	19-710.1.			
3	(a)	(1)	In this section the following words have the meanings indicated.	
4 5	organization	(2)	"Enrollee" means a subscriber or member of the health maintenance	
8 9	6 (3) ["Covered service" means a health care service included in the 7 benefit package of the health maintenance organization and rendered to an enrollee 8 of the health maintenance organization by a health care provider, including a 9 physician or hospital, not under written contract with the health maintenance 10 organization.			
12 13 14	11 (4)] "Adjunct claims documentation" means an abstract of an enrollee's 12 medical record which describes and summarizes the diagnosis and treatment of, and 13 services rendered to, the enrollee, including, in the case of trauma rendered in a 14 trauma center, an operative report, a discharge summary, a Maryland Ambulance 15 Information Systems form, or a medical record.			
16 17	Medical Ser	[(5)] vices Sys	(4) "Institute" means the Maryland Institute for Emergency atems.	
19 20	18[(6)](5)(i)"Trauma center" means a primary adult resource center,19level I trauma center, level II trauma center, level III trauma center, or pediatric20trauma center that has been designated by the institute to provide care to trauma21patients.			
22 23		into an ag	(ii) "Trauma center" includes an out-of-state pediatric facility that greement with the institute to provide care to trauma patients.	
24 25		[(7)] center and	(6) "Trauma patient" means a patient that is evaluated or treated d is entered into the State trauma registry as a trauma patient.	
27	[(8)] (7) "Trauma physician" means a licensed physician who has been credentialed or designated by a trauma center to provide care to a trauma patient at a trauma center.			
 (b) (1) In addition to any other provisions of this subtitle, for a covered service rendered to an enrollee of a health maintenance organization by a health care provider not under written contract with the health maintenance organization, the health maintenance organization or its agent: 				
33 34		claim in a	(i) Shall pay the health care provider within 30 days after the accordance with the applicable provisions of this subtitle; and	
35			(ii) Shall pay the claim submitted by:	

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(ii) Shall pay the claim submitted by:

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1 1. A hospital at the rate approved by the Health Services 2 Cost Review Commission: 3 2. A trauma physician for trauma care rendered to a trauma 4 patient in a trauma center, at the greater of: 5 140% of the rate paid by the Medicare program, as A. 6 published by the Centers for Medicare and Medicaid Services, for the same covered 7 service, to a similarly licensed provider; or 8 The rate as of January 1, 2001 that the health Β. maintenance organization paid in the same geographic area, as published by the 9 10 Centers for Medicare and Medicaid Services, for the same covered service, to a 11 similarly licensed provider; and 12 3. Any other health care provider at the greater of: 13 A. 125% of the rate the health maintenance organization 14 pays in the same geographic area, as published by the Centers for Medicare and 15 Medicaid Services, for the same covered service, to a similarly licensed provider under 16 written contract with the health maintenance organization; or 17 В. The rate as of January 1, 2000 that the health 18 maintenance organization paid in the same geographic area, as published by the 19 Centers for Medicare and Medicaid Services, for the same covered service, to a 20 similarly licensed provider not under written contract with the health maintenance 21 organization. 22 A health maintenance organization shall disclose, on request of a (2)23 health care provider not under written contract with the health maintenance 24 organization, the reimbursement rate required under paragraph (1)(ii)2 and 3 of this 25 subsection. 26 Subject to subparagraph (ii) of this paragraph, a health (3)(i) maintenance organization may require a trauma physician not under contract with 27 28 the health maintenance organization to submit appropriate adjunct claims 29 documentation and to include on the uniform claim form a provider number assigned 30 to the trauma physician by the health maintenance organization. 31 If a health maintenance organization requires a trauma (ii) 32 physician to include a provider number on the uniform claim form in accordance with 33 subparagraph (i) of this paragraph, the health maintenance organization shall assign 34 a provider number to a trauma physician not under contract with the health 35 maintenance organization at the request of the physician. 36 A trauma center, on request from a health maintenance organization, (4)

36 (4) A trauma center, on request from a health maintenance organization 37 shall verify that a licensed physician is credentialed or otherwise designated by the 38 trauma center to provide trauma care.

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1 (5)NOTWITHSTANDING THE PROVISIONS OF § 19-701(D) OF THIS 2 SUBTITLE, FOR TRAUMA CARE RENDERED TO A TRAUMA PATIENT IN A TRAUMA 3 CENTER BY A TRAUMA PHYSICIAN, A HEALTH MAINTENANCE ORGANIZATION MAY 4 NOT REQUIRE A REFERRAL OR PREAUTHORIZATION FOR A SERVICE TO BE COVERED. 5 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland 6 read as follows: 7 Article - Health - General 8 19-710.1. 9 (a) (1)In this section the following words have the meanings indicated. 10 (2)"Enrollee" means a subscriber or member of the health maintenance 11 organization. 12 ["Covered service" means a health care service included in the (3)13 benefit package of the health maintenance organization and rendered to an enrollee 14 of the health maintenance organization by a health care provider, including a 15 physician or hospital, not under written contract with the health maintenance 16 organization: 17 Pursuant to a verbal or written referral by the enrollee's health (i) 18 maintenance organization or by a provider under written contract with the enrollee's 19 health maintenance organization; or 20 That has been preauthorized or otherwise approved either (ii) 21 verbally or in writing by the enrollee's health maintenance organization or a provider 22 under written contract with the enrollee's health maintenance organization. 23 "Adjunct claims documentation" means an abstract of an enrollee's (4)] 24 medical record which describes and summarizes the diagnosis and treatment of, and 25 services rendered to, the enrollee. 26 In addition to any other provisions of this subtitle, for a covered (b) (1)service rendered to an enrollee of a health maintenance organization by a health care 27 28 provider not under written contract with the health maintenance organization, the health maintenance organization or its agent: 29 30 Shall pay the health care provider within 30 days after the (i) 31 receipt of a claim in accordance with the applicable provisions of this subtitle; and Shall pay the claim submitted by: 32 (ii) 33 1. A hospital at the rate approved by the Health Services 34 Cost Review Commission; and Any other health care provider at the rate billed or at the 35 2.

36 usual, customary, and reasonable rate.

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1 (2) A health maintenance organization that pays a health care provider 2 at the usual, customary, and reasonable rate:

3 (i) Except for services rendered to medical assistance recipients or

4~ for services rendered under a contract entered into under § 1876(g) of the federal

5 Social Security Act (42 U.S.C. § 1395mm), may not use Medicare, Medicaid, or

6 workers' compensation payments as part of any methodology used to determine a

7 payment at the usual, customary, and reasonable rate; and

8 (ii) On request of the health care provider, shall disclose the 9 methodology used to determine the amount of payment.

10 SECTION 5. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall

11 take effect on the taking effect of the termination provision specified in Section 3 of

12 Chapter 423 of the Acts of the General Assembly of 2001. If that termination provision

13 takes effect, Section 3 of this Act shall be abrogated and of no further force and effect.14 This Act may not be interpreted to have any effect on that termination provision.

15 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions 16 of Section 5 of this Act, this Act shall take effect October 1, 2003.

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