
By: **Delegates Pendergrass, Barkley, Barve, Bobo, Conroy, Goldwater,
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Introduced and read first time: February 7, 2003

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **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:

20 **Article - Health - General**

21 19-701.

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

23 (D) "COVERED SERVICE" MEANS A HEALTH CARE SERVICE INCLUDED IN THE
24 BENEFIT PACKAGE OF THE HEALTH MAINTENANCE ORGANIZATION AND RENDERED
25 TO AN ENROLLEE OF THE HEALTH MAINTENANCE ORGANIZATION BY A HEALTH
26 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

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

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

Article - Health - General

19-710.1.

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

(2) "Enrollee" means a subscriber or member of the health maintenance organization.

(3) ["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, not under written contract with the health maintenance organization.

(4) "Adjunct claims documentation" means an abstract of an enrollee's medical record which describes and summarizes the diagnosis and treatment of, and services rendered to, the enrollee, including, in the case of trauma rendered in a trauma center, an operative report, a discharge summary, a Maryland Ambulance Information Systems form, or a medical record.

[(5)] (4) "Institute" means the Maryland Institute for Emergency Medical Services Systems.

[(6)] (5) (i) "Trauma center" means a primary adult resource center, level I trauma center, level II trauma center, level III trauma center, or pediatric trauma center that has been designated by the institute to provide care to trauma patients.

(ii) "Trauma center" includes an out-of-state pediatric facility that has entered into an agreement with the institute to provide care to trauma patients.

[(7)] (6) "Trauma patient" means a patient that is evaluated or treated in a trauma center and is entered into the State trauma registry as a trauma patient.

[(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:

(i) Shall pay the health care provider within 30 days after the receipt of a claim in accordance with the applicable provisions of this subtitle; and

(ii) Shall pay the claim submitted by:

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 (3) ["Covered service" means a health care service included in the
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 (i) Pursuant to a verbal or written referral by the enrollee's health
18 maintenance organization or by a provider under written contract with the enrollee's
19 health maintenance organization; or

20 (ii) That has been preauthorized or otherwise approved either
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 (4)] "Adjunct claims documentation" means an abstract of an enrollee's
24 medical record which describes and summarizes the diagnosis and treatment of, and
25 services rendered to, the enrollee.

26 (b) (1) In addition to any other provisions of this subtitle, for a covered
27 service rendered to an enrollee of a health maintenance organization by a health care
28 provider not under written contract with the health maintenance organization, the
29 health maintenance organization or its agent:

30 (i) Shall pay the health care provider within 30 days after the
31 receipt of a claim in accordance with the applicable provisions of this subtitle; and

32 (ii) Shall pay the claim submitted by:

33 1. A hospital at the rate approved by the Health Services
34 Cost Review Commission; and

35 2. Any other health care provider at the rate billed or at the
36 usual, customary, and reasonable rate.

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.