

Department of Legislative Services

Maryland General Assembly

2004 Session

FISCAL AND POLICY NOTE

Revised

House Bill 1361 (Chairman, Health and Government Operations Committee)
(By Request – Departmental – Insurance Administration, Maryland)

Health and Government Operations

Finance

Health Insurance - Hearings on Appeals and Grievances

This departmental bill specifies that in circumstances where a consumer files a complaint about a denial of coverage by a health insurer, nonprofit health service plan, or HMO (carrier), the carrier has the burden of persuasion in an administrative hearing that its adverse decision, coverage decision, grievance decision, or appeal decision (as applicable) is correct. A designee of the Commissioner is any person to whom the Commissioner has delegated the authority to review and decide complaints.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: Any change in State activities would not materially affect State finances.

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.)

Analysis

Current Law: Each carrier must establish an internal grievance process under which an enrollee may grieve an adverse decision (a denial of coverage that is based on the grounds that a health care service is not medically necessary). An enrollee may file a complaint with the Insurance Commissioner for review of an adverse grievance decision.

During the review of this complaint by the Commissioner or designee, a carrier has the burden of persuasion that its adverse decision or grievance decision is correct.

Each carrier must establish an internal appeal process under which an enrollee may appeal a denial of coverage for reasons other than medical necessity. An enrollee who files an appeal with a carrier may file a complaint with the Commissioner for review of the decision. During the review of the complaint by the Commissioner or designee, a carrier has the burden of persuasion that its coverage decision or appeal decision is correct.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2004
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