
By: **Senators Kelley, Astle, Della, Exum, Klausmeier, and Teitelbaum**
Introduced and read first time: February 2, 2006
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Assignment of Benefits**

3 FOR the purpose of prohibiting a carrier from prohibiting the assignment of benefits
4 to a health care provider by an insured, subscriber, or enrollee; prohibiting a
5 carrier from refusing to directly reimburse a health care provider under an
6 assignment of benefits; defining certain terms; and generally relating to the
7 assignment of benefits under health insurance.

8 BY adding to
9 Article - Insurance
10 Section 15-132
11 Annotated Code of Maryland
12 (2002 Replacement Volume and 2005 Supplement)

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

15 **Article - Insurance**

16 15-132.

17 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
18 INDICATED.

19 (2) "ASSIGNMENT OF BENEFITS" MEANS THE TRANSFER OF HEALTH
20 CARE COVERAGE REIMBURSEMENT BENEFITS OR OTHER RIGHTS UNDER A HEALTH
21 BENEFIT PLAN BY AN INSURED, SUBSCRIBER, OR ENROLLEE TO A HEALTH CARE
22 PROVIDER.

23 (3) (I) "CARRIER" MEANS:

- 24 1. AN INSURER;
- 25 2. A NONPROFIT HEALTH SERVICE PLAN;
- 26 3. A HEALTH MAINTENANCE ORGANIZATION;

1 4. A DENTAL PLAN ORGANIZATION;

2 5. ANY PERSON OR ENTITY ACTING AS A THIRD PARTY
3 ADMINISTRATOR; OR

4 6. ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT
5 PLANS SUBJECT TO REGULATION BY THE STATE.

6 (II) "CARRIER" INCLUDES AN ENTITY THAT ARRANGES A PROVIDER
7 PANEL FOR A CARRIER.

8 (4) "HEALTH BENEFIT PLAN" HAS THE MEANING STATED IN § 15-1201 OF
9 THIS TITLE.

10 (5) "HEALTH CARE PROVIDER" MEANS A PERSON LICENSED, CERTIFIED,
11 OR OTHERWISE AUTHORIZED UNDER THE HEALTH OCCUPATIONS ARTICLE OR THE
12 HEALTH - GENERAL ARTICLE TO PROVIDE HEALTH CARE SERVICES.

13 (B) A CARRIER MAY NOT:

14 (1) PROHIBIT THE ASSIGNMENT OF BENEFITS TO A HEALTH CARE
15 PROVIDER BY AN INSURED, SUBSCRIBER, OR ENROLLEE; OR

16 (2) REFUSE TO DIRECTLY REIMBURSE A HEALTH CARE PROVIDER
17 UNDER A VALID ASSIGNMENT OF BENEFITS.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2006.