
By: **Senator Exum**

Introduced and read first time: February 3, 2006

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Workers' Compensation - Claims Adjusters and Medical Billing Entities**

3 FOR the purpose of requiring an insurer to ensure that certain individuals employed
4 as claims adjusters to review or adjust workers' compensation claims for the
5 insurer be trained and meet postcertification requirements in a certain manner;
6 prohibiting an insurer from employing certain claims adjusters who have not
7 met certain training and postcertification requirements except under certain
8 circumstances; requiring medical billing entities that review or adjust medical
9 bills on behalf of an insurer to ensure that certain individuals employed as
10 medical bill reviewers be trained and meet certain postcertification
11 requirements in a certain manner; requiring that training courses for claims
12 adjusters and medical bill reviewers include certain topics; requiring certain
13 insurers and medical billing entities to provide certain certification regarding
14 the training of claims adjusters and medical bill reviewers; requiring certain
15 insurers and medical billing entities to maintain certain records in a certain
16 manner; requiring an insurer to provide certain information on a certain
17 request; requiring an insurer to maintain certain records in a certain manner;
18 requiring the Workers' Compensation Commission to develop a certain form and
19 publish certain information in a certain manner; requiring the Commission to
20 adopt certain regulations to carry out the provisions of this Act; defining certain
21 terms; providing for a delayed effective date; and generally relating to claims
22 adjusters and medical billing entities reviewing and adjusting workers'
23 compensation claims.

24 BY adding to

25 Article - Labor and Employment

26 Section 9-6B-01 through 9-6B-05, inclusive, to be under the new subtitle

27 "Subtitle 6B. Claims Adjusters and Medical Billing Entities"

28 Annotated Code of Maryland

29 (1999 Replacement Volume and 2005 Supplement)

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

31 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Labor and Employment**

2 SUBTITLE 6B. CLAIMS ADJUSTERS AND MEDICAL BILLING ENTITIES.

3 9-6B-01.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.6 (B) "CERTIFY" MEANS TO PROVIDE A WRITTEN STATEMENT MADE UNDER THE
7 PENALTY OF PERJURY.8 (C) (1) "CLAIMS ADJUSTER" MEANS AN INDIVIDUAL WHO IS RESPONSIBLE,
9 ON BEHALF OF AN INSURER, FOR REVIEWING, ADJUSTING, AND DETERMINING THE
10 VALIDITY OF A WORKERS' COMPENSATION CLAIM, INCLUDING A MEDICAL-ONLY
11 CLAIM.12 (2) "CLAIMS ADJUSTER" INCLUDES AN INDIVIDUAL WHO IS
13 RESPONSIBLE FOR THE DIRECT SUPERVISION OF A CLAIMS ADJUSTER.14 (3) "CLAIMS ADJUSTER" DOES NOT INCLUDE A LAWYER REPRESENTING
15 AN INSURER OR A PERSON WHOSE PRIMARY FUNCTION IS CLERICAL.16 (D) (1) "INSURER" MEANS "AUTHORIZED INSURER" AS DEFINED IN § 9-401
17 OF THIS ARTICLE.

18 (2) "INSURER" INCLUDES:

19 (I) THE INJURED WORKERS' INSURANCE FUND;

20 (II) AN EMPLOYER THAT HAS RECEIVED APPROVAL TO
21 SELF-INSURE UNDER § 9-405 OF THIS ARTICLE; AND22 (III) A THIRD PARTY ADMINISTRATOR AUTHORIZED BY THE
23 MARYLAND INSURANCE ADMINISTRATION UNDER TITLE 8, SUBTITLE 3 OF THE
24 INSURANCE ARTICLE.25 (E) (1) "MEDICAL BILLING ENTITY" MEANS AN ENTITY THAT REVIEWS OR
26 ADJUSTS WORKERS' COMPENSATION MEDICAL BILLS ON BEHALF OF AN INSURER.

27 (2) "MEDICAL BILLING ENTITY" DOES NOT INCLUDE AN INSURER.

28 (F) "MEDICAL BILL REVIEWER" MEANS AN INDIVIDUAL WHO IS RESPONSIBLE,
29 ON BEHALF OF AN INSURER, FOR REVIEWING OR ADJUSTING WORKERS'
30 COMPENSATION MEDICAL BILLS.31 (G) "MEDICAL-ONLY CLAIM" MEANS A WORKERS' COMPENSATION CLAIM FOR
32 MEDICAL SERVICES OR TREATMENT RENDERED AND WHICH DOES NOT INCLUDE A
33 CLAIM FOR INDEMNITY BENEFITS.

1 (H) (1) "MEDICAL-ONLY CLAIMS ADJUSTER" MEANS AN INDIVIDUAL WHO IS
2 RESPONSIBLE, ON BEHALF OF AN INSURER, FOR REVIEWING, ADJUSTING, AND
3 DETERMINING THE VALIDITY OF ONLY MEDICAL-ONLY CLAIMS.

4 (2) "MEDICAL-ONLY CLAIMS ADJUSTER" INCLUDES AN INDIVIDUAL
5 WHO IS RESPONSIBLE FOR THE IMMEDIATE SUPERVISION OF A MEDICAL-ONLY
6 CLAIMS ADJUSTER.

7 (3) "MEDICAL-ONLY CLAIMS ADJUSTER" DOES NOT INCLUDE A LAWYER
8 REPRESENTING AN INSURER OR A PERSON WHOSE PRIMARY FUNCTION IS CLERICAL.

9 (I) "POSTCERTIFICATION TRAINING" MEANS:

10 (1) A COURSE OF INSTRUCTION IN A CLASSROOM, PROVIDED DIRECTLY
11 BY AN INSURER, A MEDICAL BILLING ENTITY, OR ANOTHER ENTITY, PERTAINING TO
12 THE STATE WORKERS' COMPENSATION SYSTEM; OR

13 (2) A SEMINAR, WORKSHOP, OR OTHER INFORMATIONAL MEETING
14 PERTAINING TO THE STATE WORKERS' COMPENSATION SYSTEM.

15 (J) "TRAINING" MEANS A COURSE OF INSTRUCTION IN A CLASSROOM OR
16 ON-THE-JOB TRAINING, PROVIDED DIRECTLY BY AN INSURER, A MEDICAL BILLING
17 ENTITY, OR ANOTHER ENTITY, PERTAINING TO THE STATE WORKERS'
18 COMPENSATION SYSTEM.

19 9-6B-02.

20 (A) (1) AN INSURER SHALL REQUIRE EACH INDIVIDUAL EMPLOYED BY THE
21 INSURER AS A CLAIMS ADJUSTER OR MEDICAL-ONLY CLAIMS ADJUSTER TO ADJUST
22 WORKERS' COMPENSATION CLAIMS FOR POLICYHOLDERS IN THE STATE TO
23 COMPLETE TRAINING AND POSTCERTIFICATION REQUIREMENTS IN ACCORDANCE
24 WITH THIS SECTION.

25 (2) AN INSURER SHALL CERTIFY THAT:

26 (I) EACH CLAIMS ADJUSTER AND MEDICAL-ONLY CLAIMS
27 ADJUSTER HAS SUCCESSFULLY COMPLETED THE TRAINING REQUIRED UNDER THIS
28 SECTION; AND

29 (II) THE COURSE OF INSTRUCTION PROVIDED DIRECTLY BY THE
30 INSURER OR ANOTHER ENTITY MEETS THE REQUIREMENTS UNDER SUBSECTION (D)
31 OF THIS SECTION.

32 (3) AN INDIVIDUAL MAY NOT ADJUST CLAIMS FOR AN INSURER UNLESS
33 THE INDIVIDUAL IS:

34 (I) CERTIFIED BY THE INSURER AS A CLAIMS ADJUSTER OR A
35 MEDICAL-ONLY CLAIMS ADJUSTER; OR

1 (II) UNDER THE DIRECT SUPERVISION OF AN EXPERIENCED
2 CLAIMS ADJUSTER OR EXPERIENCED MEDICAL-ONLY CLAIMS ADJUSTER WHILE
3 UNDERGOING THE REQUIRED TRAINING UNDER THIS SECTION TO BECOME
4 CERTIFIED.

5 (B) (1) TO BE CERTIFIED AS A CLAIMS ADJUSTER BY AN INSURER, AN
6 INDIVIDUAL SHALL COMPLETE AT LEAST 160 HOURS OF TRAINING, OF WHICH AT
7 LEAST 120 HOURS SHALL BE CONDUCTED IN A CLASSROOM.

8 (2) (I) TO BE CERTIFIED AS A MEDICAL-ONLY CLAIMS ADJUSTER BY
9 AN INSURER, AN INDIVIDUAL SHALL COMPLETE AT LEAST 120 HOURS OF TRAINING,
10 OF WHICH AT LEAST 80 HOURS SHALL BE CONDUCTED IN A CLASSROOM.

11 (II) A MEDICAL-ONLY CLAIMS ADJUSTER MAY BE CERTIFIED AS A
12 CLAIMS ADJUSTER BY COMPLETING AN ADDITIONAL 40 HOURS OF TRAINING
13 CONDUCTED IN A CLASSROOM.

14 (3) THE TRAINING REQUIRED UNDER THIS SECTION SHALL BE
15 COMPLETED WITHIN A CONSECUTIVE 12-MONTH PERIOD, DURING WHICH TIME AN
16 INDIVIDUAL MAY ADJUST CLAIMS UNDER THE DIRECT SUPERVISION OF AN
17 EXPERIENCED CLAIMS ADJUSTER OR AN EXPERIENCED MEDICAL-ONLY CLAIMS
18 ADJUSTER.

19 (4) A CLAIMS ADJUSTER OR MEDICAL-ONLY CLAIMS ADJUSTER
20 CERTIFIED BY AN INSURER MAY NOT BE REQUIRED TO BE RETRAINED OR
21 RECERTIFIED IN ORDER TO ADJUST CLAIMS FOR A DIFFERENT INSURER.

22 (5) A COURSE OF INSTRUCTION TAKEN ON OR AFTER JANUARY 1, 2005,
23 MAY BE USED TO MEET THE TRAINING REQUIREMENTS UNDER THIS SECTION
24 PROVIDED THAT THE INDIVIDUAL PROVIDES DOCUMENTATION TO THE INSURER
25 INDICATING THAT THE COURSE OF INSTRUCTION SATISFIES THE REQUIREMENTS
26 UNDER SUBSECTION (D) OF THIS SECTION.

27 (C) (1) TO BE CERTIFIED BY AN INSURER AS AN EXPERIENCED CLAIMS
28 ADJUSTER, AN INDIVIDUAL SHALL HAVE:

29 (I) 5 OR MORE YEARS, WITHIN THE PAST 8 YEARS, OF ON-THE-JOB
30 EXPERIENCE ADJUSTING STATE WORKERS' COMPENSATION CLAIMS;

31 (II) SUCCESSFULLY PASSED A WRITTEN EXAMINATION OFFERED
32 BY THE COMMISSION WITHIN THE PREVIOUS 5 YEARS; OR

33 (III) SUCCESSFULLY PASSED A WRITTEN EXAMINATION OFFERED
34 BY THE COMMISSION MORE THAN 5 YEARS AGO AND HAS CONTINUOUSLY WORKED
35 AS A CLAIMS ADJUSTER SINCE PASSING THE EXAMINATION.

36 (2) TO BE CERTIFIED BY AN INSURER AS AN EXPERIENCED
37 MEDICAL-ONLY CLAIMS ADJUSTER, AN INDIVIDUAL SHALL HAVE 3 OR MORE YEARS,
38 WITHIN THE PAST 5 YEARS, OF ON-THE-JOB EXPERIENCE ADJUSTING STATE
39 WORKERS' COMPENSATION MEDICAL-ONLY CLAIMS.

1 (3) TO CONTINUE TO BE CERTIFIED BY AN INSURER AS AN
2 EXPERIENCED CLAIMS ADJUSTER OR AN EXPERIENCED MEDICAL-ONLY CLAIMS
3 ADJUSTER, AN INDIVIDUAL SHALL COMPLETE AT LEAST 30 HOURS OF
4 POSTCERTIFICATION TRAINING EVERY 2 YEARS.

5 (D) THE COURSE OF INSTRUCTION REQUIRED FOR A CLAIMS ADJUSTER
6 INCLUDES THE FOLLOWING TOPICS RELATING TO THE STATE WORKERS'
7 COMPENSATION SYSTEM:

8 (1) HISTORICAL OVERVIEW;

9 (2) ORGANIZATIONAL STRUCTURE;

10 (3) INSURANCE POLICY, FORMS AND ENDORSEMENTS, AND INSURANCE
11 PRINCIPLES OF COMPENSATION;

12 (4) CONCEPTS AND TERMINOLOGY;

13 (5) BENEFIT PROVISIONS;

14 (6) COMPENSABILITY;

15 (7) NOTICE REQUIREMENTS;

16 (8) TEMPORARY DISABILITY;

17 (9) PERMANENT DISABILITY, INCLUDING EVALUATION AND RATING;

18 (10) DEATH BENEFITS;

19 (11) RETURN TO WORK AND VOCATIONAL REHABILITATION;

20 (12) CUMULATIVE TRAUMA;

21 (13) SERIOUS AND WILLFUL MISCONDUCT;

22 (14) COMMISSION PROCEDURES, FORMS, HEARINGS, AND PENALTIES;

23 (15) INVESTIGATION;

24 (16) FRAUD;

25 (17) MEDICAL TERMINOLOGY;

26 (18) MEDICAL EVIDENCE;

27 (19) FEE SCHEDULES APPLICABLE TO MEDICAL CARE;

28 (20) LIENS;

29 (21) APPORTIONMENT;

1 (22) SUBROGATION;

2 (23) RESERVING; AND

3 (24) ETHICAL CONDUCT.

4 (E) THE COURSE OF INSTRUCTION REQUIRED FOR A MEDICAL-ONLY CLAIMS
5 ADJUSTER INCLUDES AT A MINIMUM THE TOPICS RELATING TO THE STATE
6 WORKERS' COMPENSATION SYSTEM FOR MEDICAL CARE AND BENEFITS.

7 (F) THE COURSE OF INSTRUCTION REQUIRED UNDER SUBSECTIONS (D) AND
8 (E) SHALL INCLUDE CHANGES IN THE LAW THAT AFFECT WORKERS' COMPENSATION
9 CLAIMS AND OTHER TOPICS RELEVANT TO THE WORK OF A CLAIMS ADJUSTER OR
10 MEDICAL-ONLY CLAIMS ADJUSTER.

11 (G) AN INSURER SHALL PROVIDE A CERTIFICATION OF COMPLETION IN THE
12 FORM REQUIRED BY THE COMMISSION TO AN INDIVIDUAL WHO HAS SUCCESSFULLY
13 COMPLETED THE TRAINING UNDER THIS SECTION, INCLUDING THE COMPLETION OF
14 POSTCERTIFICATION TRAINING.

15 9-6B-03.

16 (A) (1) A MEDICAL BILLING ENTITY THAT REVIEWS OR ADJUSTS WORKERS'
17 COMPENSATION MEDICAL BILLS ON BEHALF OF AN INSURER SHALL REQUIRE EACH
18 INDIVIDUAL EMPLOYED AS A MEDICAL BILL REVIEWER TO ADJUST WORKERS'
19 COMPENSATION CLAIMS FOR POLICYHOLDERS IN THE STATE TO BE TRAINED IN
20 ACCORDANCE WITH THIS SECTION.

21 (2) A MEDICAL BILLING ENTITY SHALL CERTIFY THAT:

22 (I) EACH MEDICAL BILL REVIEWER HAS SUCCESSFULLY
23 COMPLETED THE TRAINING REQUIRED UNDER THIS SECTION; AND

24 (II) THE COURSE OF INSTRUCTION PROVIDED DIRECTLY BY THE
25 MEDICAL BILLING ENTITY OR ANOTHER ENTITY MEETS THE REQUIREMENTS UNDER
26 THIS SECTION.

27 (3) AN INDIVIDUAL MAY NOT REVIEW MEDICAL BILLS FOR A MEDICAL
28 BILLING ENTITY UNLESS THE INDIVIDUAL IS:

29 (I) CERTIFIED BY THE MEDICAL BILLING ENTITY AS A MEDICAL
30 BILL REVIEWER; OR

31 (II) UNDER THE DIRECT SUPERVISION OF A TRAINED MEDICAL
32 BILL REVIEWER WHILE UNDERGOING THE REQUIRED TRAINING UNDER THIS
33 SECTION TO BECOME CERTIFIED.

34 (B) (1) TO BE CERTIFIED AS A MEDICAL BILL REVIEWER BY A MEDICAL
35 BILLING ENTITY, AN INDIVIDUAL SHALL COMPLETE AT LEAST 40 HOURS OF

1 TRAINING, OF WHICH AT LEAST 30 HOURS SHALL BE CONDUCTED IN A CLASSROOM
2 AND NO MORE THAN 10 HOURS MAY BE ON-THE-JOB TRAINING.

3 (2) THE TRAINING REQUIRED UNDER THIS SECTION SHALL BE
4 COMPLETED WITHIN A 6-MONTH PERIOD, DURING WHICH TIME AN INDIVIDUAL MAY
5 REVIEW OR ADJUST MEDICAL BILLS UNDER THE DIRECT SUPERVISION OF A
6 TRAINED MEDICAL BILL REVIEWER.

7 (3) A MEDICAL BILL REVIEWER CERTIFIED BY A MEDICAL BILLING
8 ENTITY MAY NOT BE REQUIRED TO BE RETRAINED OR RECERTIFIED IN ORDER TO
9 REVIEW OR ADJUST CLAIMS FOR A DIFFERENT MEDICAL BILLING ENTITY.

10 (C) TO CONTINUE TO BE CERTIFIED BY A MEDICAL BILLING ENTITY AS A
11 MEDICAL BILL REVIEWER, AN INDIVIDUAL SHALL COMPLETE AT LEAST 16 HOURS OF
12 POSTCERTIFICATION TRAINING EVERY YEAR.

13 (D) THE COURSE OF INSTRUCTION REQUIRED FOR A MEDICAL BILL
14 REVIEWER INCLUDES THE FOLLOWING TOPICS RELATING TO THE STATE WORKERS'
15 COMPENSATION SYSTEM:

16 (1) CORRECT USAGE OF BILLING CODES AND DETECTION OF IMPROPER
17 USE OF BILLING CODES;

18 (2) BENEFIT PROVISIONS;

19 (3) CUMULATIVE TRAUMA;

20 (4) COMMISSION PROCEDURES, FORMS, HEARINGS, AND PENALTIES;

21 (5) FRAUD;

22 (6) MEDICAL TERMINOLOGY;

23 (7) MEDICAL EVIDENCE;

24 (8) FEE SCHEDULES APPLICABLE TO MEDICAL CARE;

25 (9) LIENS; AND

26 (10) ETHICAL CONDUCT.

27 (E) A MEDICAL BILLING ENTITY SHALL PROVIDE A CERTIFICATION OF
28 COMPLETION IN THE FORM REQUIRED BY THE COMMISSION TO AN INDIVIDUAL WHO
29 HAS SUCCESSFULLY COMPLETED THE TRAINING UNDER THIS SECTION, INCLUDING
30 THE COMPLETION OF POSTCERTIFICATION TRAINING.

31 9-6B-04.

32 (A) ON WRITTEN REQUEST BY A POLICYHOLDER OR AN INJURED WORKER
33 WHOSE CLAIM IS BEING ADJUSTED BY A CLAIMS ADJUSTER, A MEDICAL-ONLY
34 CLAIMS ADJUSTER, AN EXPERIENCED CLAIMS ADJUSTER, OR AN EXPERIENCED

1 MEDICAL-ONLY CLAIMS ADJUSTER, THE INSURER EMPLOYING THE INDIVIDUAL
2 SHALL PROVIDE A COPY OF THE INDIVIDUAL'S CERTIFICATE OF COMPLETION TO THE
3 REQUESTING POLICYHOLDER OR INJURED WORKER.

4 (B) (1) AN INSURER SHALL MAINTAIN TRAINING RECORDS FOR EACH
5 INDIVIDUAL WHO IS SUBJECT TO THE TRAINING REQUIREMENTS UNDER THIS
6 SUBTITLE FOR A PERIOD OF 8 YEARS AFTER THE TRAINING IS COMPLETED.

7 (2) ON WRITTEN REQUEST BY ANOTHER INSURER, AN INSURER SHALL
8 PROVIDE A COPY OF ANY TRAINING RECORD OR CERTIFICATE OF COMPLETION FOR
9 AN INDIVIDUAL WHO WAS PREVIOUSLY EMPLOYED BY THE INSURER TO THE OTHER
10 INSURER WITHIN 20 DAYS AFTER RECEIVING THE REQUEST.

11 (C) AN INSURER SHALL MAINTAIN A RECORD IN THE FORM AND MANNER
12 REQUIRED BY THE COMMISSION OF ANY COURSE OF INSTRUCTION PROVIDED BY
13 ANOTHER ENTITY TO AN INDIVIDUAL EMPLOYED BY THE INSURER, CONTAINING:

14 (1) THE NAME AND ADDRESS OF THE INDIVIDUAL;

15 (2) THE TRAINING COMPLETION DATE; AND

16 (3) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE TRAINING
17 ENTITY.

18 (D) AN INSURER SHALL MAINTAIN A RECORD OF ANY COURSE OF
19 INSTRUCTION PROVIDED DIRECTLY BY THE INSURER, CONTAINING:

20 (1) THE NAME AND BUSINESS ADDRESS OF THE INDIVIDUALS WHO
21 ATTENDED THE TRAINING;

22 (2) THE BEGINNING AND ENDING DATE OF THE TRAINING;

23 (3) A STATEMENT AS TO WHETHER THE INDIVIDUALS COMPLETED THE
24 TRAINING IN THE TOPIC AREAS REQUIRED UNDER THIS SUBTITLE; AND

25 (4) A COMPLETE DESCRIPTION OF THE COURSE OF INSTRUCTION,
26 INCLUDING THE TOPIC AREAS COVERED WITH A DETAILED STATEMENT OF HOW
27 MUCH TIME WAS SPENT TRAINING FOR EACH TOPIC.

28 (E) (1) ANY RECORDS MAINTAINED IN ACCORDANCE WITH THIS SECTION
29 SHALL BE MADE AVAILABLE TO THE COMMISSION.

30 (2) ANY RECORD PROVIDED TO THE COMMISSION UNDER THIS SECTION
31 SHALL BE MADE UNDER THE PENALTY OF PERJURY.

32 9-6B-05.

33 (A) THE COMMISSION SHALL DEVELOP A CERTIFICATION OF COMPLETION
34 FORM THAT AN INSURER OR MEDICAL BILLING ENTITY IS REQUIRED TO PROVIDE TO
35 AN INDIVIDUAL WHO SUCCESSFULLY COMPLETES THE REQUIRED TRAINING UNDER
36 THIS SUBTITLE AS A:

- 1 (1) CLAIMS ADJUSTER;
- 2 (2) MEDICAL-ONLY CLAIMS ADJUSTER;
- 3 (3) EXPERIENCED CLAIMS ADJUSTER;
- 4 (4) EXPERIENCED MEDICAL-ONLY CLAIMS ADJUSTER; OR
- 5 (5) MEDICAL BILL REVIEWER.

6 (B) THE COMMISSION SHALL PUBLISH ON THE COMMISSION'S WEBSITE
 7 SUFFICIENT INFORMATION TO ALLOW A POLICYHOLDER TO CHOOSE AN INSURER
 8 THAT HAS AN ADEQUATELY TRAINED STAFF TO ADJUST CLAIMS.

9 (C) (1) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THE
 10 PROVISIONS OF THIS SUBTITLE.

11 (2) THE REGULATIONS SHALL:

12 (I) INCLUDE MINIMUM STANDARDS OF TRAINING, EXPERIENCE,
 13 AND SKILL THAT CLAIMS ADJUSTERS AND MEDICAL BILL REVIEWERS SHALL
 14 POSSESS TO ADJUST CLAIMS; AND

15 (II) SPECIFY HOW INSURERS AND MEDICAL BILLING ENTITIES
 16 SHALL MEET THE STANDARDS DESCRIBED UNDER ITEM (I) OF THIS SUBPARAGRAPH.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 18 January 1, 2007.