

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 549

(Delegate Morhaim, *et al.*)

Health and Government Operations

Finance

Health Insurance - Private Review Agents - Emergency Inpatient and Residential
Crisis Services Admission Determinations

This bill specifies that if a private review agent (PRA) or representative requires prior authorization for an emergency inpatient admission or an admission for residential crisis services, for the treatment of a mental, emotional, or substance abuse disorder, the PRA or representative must make certain determinations within a specific time period.

Fiscal Summary

State Effect: Minimal special fund revenue increase for the Maryland Insurance Administration (MIA) in FY 2007 from the \$125 rate and form filing fee. The review of new utilization review plans could be handled with existing MIA resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: If prior authorization is required, a PRA or representative must make all determinations on whether to authorize or certify an emergency inpatient admission or admission for residential crisis services for the treatment of a mental, emotional, or substance abuse disorder within two hours after receipt of the necessary information to make the determination. A PRA's utilization review plan must include policies and procedures to implement these requirements.

A PRA may not render an adverse decision as to a patient's admission for up to 72 hours after admission when the patient's treating physician determines admission is medically necessary when the admission is involuntary and the hospital immediately notifies the PRA.

Current Law: A PRA must make all initial determinations on whether to authorize or certify a nonemergency course of treatment for a patient within two working days after receipt of the information necessary to make the determination.

If an initial determination is to deny authorization or certification and the health care provider believes the determination warrants an immediate reconsideration, a PRA may provide the provider the opportunity to speak with the physician that rendered the determination, by telephone on an expedited basis, within a period not to exceed 24 hours.

For emergency inpatient admissions, a PRA may not render an adverse decision solely because the hospital did not notify the PRA of the emergency admission within 24 hours or other prescribed period of time, if the patient's medical condition prevented the hospital from determining the patient's insurance status and the PRA's emergency admission notification requirements, if applicable.

A PRA may not render an adverse decision as to a patient's admission during the first 24 hours after admission when: (1) the admission is based on the determination that the patient is in imminent danger to self or others; (2) the determination has been made by the patient's physician or psychologist; and (3) the hospital immediately notifies the PRA of the admission and the reasons for it.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (Medicaid), Maryland Insurance Administration, Department of Legislative Services

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