

HOUSE BILL 1104

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By: **Delegate Donoghue**

Introduced and read first time: February 14, 2007

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program – Managed Care Organizations –**
3 **Hospital Ancillary Services**

4 FOR the purpose of requiring a managed care organization participating in the
5 Maryland Medical Assistance Program to separately and independently
6 determine the medical necessity of certain ancillary services provided during a
7 hospitalization from the medical necessity of a certain hospitalization;
8 prohibiting certain managed care organizations from basing the denial of
9 certain payments for certain ancillary services provided during a hospitalization
10 on a certain determination of the medical necessity of a certain hospitalization;
11 and generally relating to hospital ancillary services and managed care
12 organizations participating in the Maryland Medical Assistance Program.

13 BY repealing and reenacting, without amendments,
14 Article – Health – General
15 Section 15–103(a)(1) and (b)(1)
16 Annotated Code of Maryland
17 (2005 Replacement Volume and 2006 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Health – General
20 Section 15–103(b)(22)
21 Annotated Code of Maryland
22 (2005 Replacement Volume and 2006 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article - Health - General**

4 15-103.

5 (a) (1) The Secretary shall administer the Maryland Medical Assistance
6 Program.

7 (b) (1) As permitted by federal law or waiver, the Secretary may establish
8 a program under which Program recipients are required to enroll in managed care
9 organizations.

10 (22) (I) The Department shall include a definition of medical
11 necessity in its quality and access standards.

12 **(II) A MANAGED CARE ORGANIZATION:**

13 **1. SHALL DETERMINE SEPARATELY AND**
14 **INDEPENDENTLY THE MEDICAL NECESSITY OF ANCILLARY SERVICES PROVIDED**
15 **DURING A HOSPITAL STAY FROM THE MEDICAL NECESSITY OF THE**
16 **HOSPITALIZATION OR ANY PART OF THE HOSPITALIZATION; AND**

17 **2. MAY NOT BASE THE DENIAL OF PAYMENT FOR**
18 **ANCILLARY SERVICES PROVIDED DURING A HOSPITAL STAY SOLELY ON THE**
19 **DETERMINATION OF THE MANAGED CARE ORGANIZATION THAT THE**
20 **HOSPITALIZATION OR ANY PART OF THE HOSPITALIZATION WAS NOT**
21 **MEDICALLY NECESSARY.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2007.