

SENATE BILL 953

J1, C3

71r2995
CF HB 1313

By: **Senator Middleton (By Request)**

Introduced and read first time: February 28, 2007

Assigned to: Rules

Re-referred to: Finance, March 2, 2007

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 22, 2007

CHAPTER _____

1 AN ACT concerning

2 **Department of Health and Mental Hygiene – Maryland Medical Assistance**
3 **Program – Information from and Liability of Health Insurance Carriers**

4 FOR the purpose of requiring certain health insurance carriers to provide certain
5 information in a certain manner to the Department of Health and Mental
6 Hygiene, at the request of the Department, about individuals who are eligible
7 for benefits under the Maryland Medical Assistance Program or are Program
8 recipients; requiring certain health insurance carriers to accept the Program's
9 right of recovery and the assignment of certain rights under certain
10 circumstances; requiring certain health insurance carriers ~~to respond to certain~~
11 ~~inquiries by the Department under certain circumstances; prohibiting certain~~
12 ~~health insurance carriers from denying certain claims under certain~~
13 ~~circumstances~~ as a condition of doing business in the State, to comply with the
14 requirements set forth in certain provisions of law; prohibiting certain health
15 insurance carriers from denying or otherwise affecting a health insurance policy
16 or contract due to the eligibility of an individual for Program benefits or receipt
17 by an individual of benefits under the Program; defining a certain term; and
18 generally relating to health insurance and the Maryland Medical Assistance
19 Program.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
2 Article – Health – General
3 Section 15–144 and 19–706(jjj)
4 Annotated Code of Maryland
5 (2005 Replacement Volume and 2006 Supplement)

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

8 **Article – Health – General**

9 **15–144.**

10 (A) **IN THIS SECTION, “CARRIER” MEANS:**

11 (1) **A HEALTH INSURER;**

12 (2) **A NONPROFIT HEALTH SERVICE PLAN;**

13 (3) **A HEALTH MAINTENANCE ORGANIZATION;**

14 (4) **A DENTAL PLAN ORGANIZATION; AND**

15 (5) **ANY OTHER PERSON INCLUDED AS A THIRD PARTY IN §**
16 **1902(A)(25)(A) OF THE SOCIAL SECURITY ACT, AS AMENDED BY THE FEDERAL**
17 **DEFICIT REDUCTION ACT OF 2005.**

18 (B) (1) **A CARRIER SHALL PROVIDE, AT THE REQUEST OF THE**
19 **DEPARTMENT, INFORMATION ABOUT INDIVIDUALS WHO ARE ELIGIBLE FOR**
20 **BENEFITS UNDER THE PROGRAM OR ARE PROGRAM RECIPIENTS SO THAT THE**
21 **DEPARTMENT MAY DETERMINE WHETHER AN INDIVIDUAL, THE SPOUSE OF AN**
22 **INDIVIDUAL, OR THE DEPENDENT OF AN INDIVIDUAL IS RECEIVING HEALTH**
23 **CARE COVERAGE FROM A CARRIER AND THE NATURE OF THAT COVERAGE.**

24 (2) **A CARRIER SHALL PROVIDE THE INFORMATION REQUIRED**
25 **UNDER THIS SUBSECTION IN A MANNER PRESCRIBED BY THE DEPARTMENT.**

26 (C) **A CARRIER SHALL ACCEPT THE PROGRAM’S RIGHT OF RECOVERY**
27 **AND THE ASSIGNMENT TO THE PROGRAM OF ANY RIGHT OF AN INDIVIDUAL OR**
28 **OTHER ENTITY TO PAYMENT FROM THE CARRIER FOR AN ITEM OR SERVICE FOR**

1 WHICH PAYMENT HAS BEEN MADE UNDER THE PROGRAM IF THE CARRIER HAS A
2 LEGAL OBLIGATION TO MAKE PAYMENT FOR THE ITEM OR SERVICE.

3 ~~(D) A CARRIER SHALL RESPOND TO ANY INQUIRY BY THE DEPARTMENT~~
4 ~~REGARDING A CLAIM FOR PAYMENT FOR ANY HEALTH CARE ITEM OR SERVICE~~
5 ~~THAT IS SUBMITTED NOT LATER THAN 3 YEARS AFTER THE DATE OF THE~~
6 ~~PROVISION OF THE HEALTH CARE ITEM OR SERVICE.~~

7 ~~(E) A CARRIER MAY NOT DENY A CLAIM SUBMITTED BY THE PROGRAM~~
8 ~~SOLELY ON THE BASIS OF THE DATE OF SUBMISSION OF THE CLAIM, THE TYPE~~
9 ~~OR FORMAT OF THE CLAIM FORM, OR FAILURE OF THE PROGRAM TO PRESENT~~
10 ~~PROPER DOCUMENTATION AT THE POINT OF SALE THAT IS THE BASIS OF THE~~
11 ~~CLAIM, IF:~~

12 ~~(1) THE CLAIM IS SUBMITTED BY THE PROGRAM WITHIN 3 YEARS~~
13 ~~AFTER THE ITEM OR SERVICE WAS PROVIDED; AND~~

14 ~~(2) THE PROGRAM COMMENCES AN ACTION TO ENFORCE ITS~~
15 ~~RIGHTS WITH RESPECT TO THE CLAIM WITHIN 6 YEARS OF SUBMISSION OF THE~~
16 ~~CLAIM BY THE PROGRAM.~~

17 (D) AS A CONDITION OF DOING BUSINESS IN THE STATE, A CARRIER
18 SHALL COMPLY WITH THE REQUIREMENTS SET FORTH IN § 42 U.S.C.
19 1396A(A)(25)(I)(I) THROUGH (IV).

20 ~~(F)~~ (E) A CARRIER SUBJECT TO THIS SECTION MAY NOT REJECT,
21 DENY, LIMIT, CANCEL, REFUSE TO RENEW, INCREASE THE RATES OF, AFFECT
22 THE TERMS OR CONDITIONS OF, OR OTHERWISE AFFECT A HEALTH INSURANCE
23 POLICY OR CONTRACT FOR A REASON BASED WHOLLY OR PARTLY ON:

24 (1) THE ELIGIBILITY OF THE INDIVIDUAL FOR RECEIVING
25 BENEFITS UNDER THE PROGRAM; OR

26 (2) THE RECEIPT BY AN INDIVIDUAL OF BENEFITS UNDER THE
27 PROGRAM.

28 19-706.

29 (JJJ) THE PROVISIONS OF § 15-144 OF THIS ARTICLE APPLY TO HEALTH
30 MAINTENANCE ORGANIZATIONS.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.