

HOUSE BILL 277

C4

8lr0042

By: **Chair, Health and Government Operations Committee (By Request – Departmental – Insurance Administration, Maryland)**

Introduced and read first time: January 23, 2008

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Insurance Commissioner – Authority to Act in an Emergency**

3 FOR the purpose of applying certain provisions of law to managed care organizations
4 and health maintenance organizations; specifying the applicability and purpose
5 of certain provisions of law; authorizing the Maryland Insurance Commissioner
6 to act in a certain manner in an emergency under certain circumstances;
7 authorizing the Commissioner to take certain actions in an emergency;
8 requiring the Commissioner to adopt certain actions as emergency regulations;
9 requiring the Commissioner to adopt certain regulations; and generally relating
10 to the authority of the Insurance Commissioner.

11 BY repealing and reenacting, with amendments,
12 Article – Health – General
13 Section 15–102.3(c)
14 Annotated Code of Maryland
15 (2005 Replacement Volume and 2007 Supplement)

16 BY adding to
17 Article – Health – General
18 Section 19–706(ppp)
19 Annotated Code of Maryland
20 (2005 Replacement Volume and 2007 Supplement)

21 BY adding to
22 Article – Insurance
23 Section 2–115
24 Annotated Code of Maryland
25 (2003 Replacement Volume and 2007 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 15-102.3.

5 (c) The provisions of §§ **2-115**, 4-311, 15-604, 15-605, and 15-1008 of the
6 Insurance Article shall apply to managed care organizations in the same manner they
7 apply to carriers.

8 19-706.

9 **(PPP) THE PROVISIONS OF § 2-115 OF THE INSURANCE ARTICLE APPLY**
10 **TO HEALTH MAINTENANCE ORGANIZATIONS.**

11 **Article - Insurance**

12 **2-115.**

13 **(A) THIS SECTION APPLIES TO:**

14 **(1) ENTITIES REGULATED UNDER THIS ARTICLE;**

15 **(2) ENTITIES SUBJECT TO THE AUTHORITY OF THE**
16 **COMMISSIONER UNDER THE HEALTH - GENERAL ARTICLE, INCLUDING HEALTH**
17 **MAINTENANCE ORGANIZATIONS AND MANAGED CARE ORGANIZATIONS; AND**

18 **(3) ENTITIES OTHERWISE SUBJECT TO THE AUTHORITY OF THE**
19 **COMMISSIONER.**

20 **(B) IN ORDER TO PROTECT THE GENERAL WELFARE OF THE CITIZENS**
21 **OF THE STATE AND TO PROTECT INSURANCE BENEFICIARIES, POLICYHOLDERS,**
22 **INJURED CLAIMANTS, AND OTHERS IN PARTICULAR, IN THE EVENT THAT THE**
23 **GOVERNOR HAS DECLARED A STATE OF EMERGENCY UNDER § 14-107 OF THE**
24 **PUBLIC SAFETY ARTICLE, THE COMMISSIONER MAY, BY BULLETIN:**

25 **(1) EXTEND OR SUSPEND ANY TIME FRAME APPLICABLE TO AN**
26 **ACTION BY THE COMMISSIONER UNDER THIS ARTICLE;**

27 **(2) REQUIRE AN ENTITY REGULATED UNDER THIS ARTICLE TO:**

28 **(I) EXTEND OR SUSPEND ANY TIME FRAME APPLICABLE TO**
29 **AN ACTION BY A CONSUMER;**

1 (II) KEEP A POLICY IN FORCE FOR A SPECIFIED PERIOD OF
2 TIME;

3 (III) SUSPEND REQUIREMENTS FOR PREAUTHORIZATION OF
4 MEDICAL SERVICES, REFERRALS, AND NETWORK RESTRICTIONS UNDER A
5 HEALTH INSURANCE POLICY OR CONTRACT OR A CONTRACT FOR HEALTH
6 COVERAGE ISSUED BY A HEALTH MAINTENANCE ORGANIZATION; AND

7 (IV) TAKE ANY OTHER ACTION CONSIDERED NECESSARY BY
8 THE COMMISSIONER TO MEET THE PURPOSE OF THIS SECTION;

9 (3) EXTEND OR SUSPEND ANY TIME FRAME APPLICABLE TO AN
10 ACTION BY A REGULATED ENTITY; AND

11 (4) ALLOW A DOMESTIC INSURER TO CONTINUE TO OPERATE
12 ALTHOUGH THE EMERGENCY MAKES IT IMPOSSIBLE OR IMPRACTICABLE FOR
13 THE DOMESTIC INSURER TO CONDUCT ITS BUSINESS IN STRICT ACCORD WITH
14 APPLICABLE PROVISIONS OF LAW, ITS BYLAWS, OR ITS ARTICLES OF
15 INCORPORATION.

16 (C) ANY ACTION TAKEN BY THE COMMISSIONER UNDER THIS SECTION
17 THAT EXTENDS BEYOND 60 DAYS SHALL BE ADOPTED AS AN EMERGENCY
18 REGULATION AS SOON AS IS PRACTICABLE.

19 (D) THE COMMISSIONER SHALL ADOPT REGULATIONS TO IMPLEMENT
20 THIS SECTION.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2008.