

# SENATE BILL 774

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8lr2823  
CF 8lr2784

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By: **Senator Pugh**

Introduced and read first time: February 1, 2008

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program - Managed Care Organization -**  
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 specifying that hospitalization includes care provided in a hospital emergency  
12 department; and generally relating to hospital ancillary services and managed  
13 care organizations participating in the Maryland Medical Assistance Program.

14 BY repealing and reenacting, without amendments,  
15 Article - Health - General  
16 Section 15-103(a)(1) and (b)(1)  
17 Annotated Code of Maryland  
18 (2005 Replacement Volume and 2007 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article - Health - General  
21 Section 15-103(b)(22)  
22 Annotated Code of Maryland  
23 (2005 Replacement Volume and 2007 Supplement)

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

26 **Article - Health - General**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 15-103.

2 (a) (1) The Secretary shall administer the Maryland Medical Assistance  
3 Program.

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

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

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

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

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

19 **(III) FOR PURPOSES OF SUBPARAGRAPH (II) OF THIS**  
20 **PARAGRAPH, HOSPITALIZATION INCLUDES CARE PROVIDED IN A HOSPITAL**  
21 **EMERGENCY DEPARTMENT.**

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