

CHAPTER 63

(House Bill 277)

AN ACT concerning

Maryland Insurance Commissioner – Authority to Act Adoption of Regulations Applicable in an Emergency – Required

FOR the purpose of applying certain provisions of law to ~~managed care organizations and health maintenance organizations; specifying the applicability and purpose of certain provisions of law; authorizing the Maryland Insurance Commissioner to act in a certain manner in an emergency under certain circumstances; authorizing the Commissioner to take certain actions in an emergency; requiring the Commissioner to adopt certain actions as emergency regulations;~~ requiring the Maryland Insurance Commissioner to adopt certain regulations that may be applied in certain emergencies or disasters; authorizing the regulations to apply to certain persons and address certain activities; requiring the Commissioner to issue a certain bulletin under certain circumstances; requiring the Commissioner to provide a copy of the bulletin to a certain emergency contact; authorizing the Commissioner to post a copy of the bulletin on a certain website; and generally relating to the authority of the Maryland Insurance Commissioner.

~~BY repealing and reenacting, with amendments,
Article – Health – General
Section 15–102.3(e)
Annotated Code of Maryland
(2005 Replacement Volume and 2007 Supplement)~~

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

BY adding to
Article – Insurance
Section 2–115
Annotated Code of Maryland
(2003 Replacement Volume and 2007 Supplement)

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

Article - Health - General

~~15-102.3.~~

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

19-706.

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

Article - Insurance

2-115.

~~(A) THIS SECTION APPLIES TO:~~

~~(1) ENTITIES REGULATED UNDER THIS ARTICLE;~~

~~(2) ENTITIES SUBJECT TO THE AUTHORITY OF THE COMMISSIONER UNDER THE HEALTH GENERAL ARTICLE, INCLUDING HEALTH MAINTENANCE ORGANIZATIONS AND MANAGED CARE ORGANIZATIONS; AND~~

~~(3) ENTITIES OTHERWISE SUBJECT TO THE AUTHORITY OF THE COMMISSIONER.~~

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

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

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

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

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

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

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

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

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

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

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

(A) THE COMMISSIONER SHALL ADOPT REGULATIONS THAT MAY BE APPLIED WHEN:

(1) THE GOVERNOR HAS DECLARED A STATE OF EMERGENCY FOR THE STATE OR AN AREA WITHIN THE STATE UNDER § 14-107 OF THE PUBLIC SAFETY ARTICLE; OR

(2) THE PRESIDENT OF THE UNITED STATES HAS ISSUED A MAJOR DISASTER OR EMERGENCY DECLARATION FOR THE STATE OR AN AREA WITHIN THE STATE UNDER THE FEDERAL STAFFORD ACT.

(B) THE REGULATIONS MAY:

(1) APPLY TO ANY PERSON REGULATED BY THE COMMISSIONER UNDER THIS ARTICLE OR TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE; AND

(2) ADDRESS:

(I) SUBMISSION OF CLAIMS OR PROOF OF LOSS;

(II) GRACE PERIODS FOR PAYMENT OF PREMIUMS AND PERFORMANCE OF OTHER DUTIES BY INSUREDS;

(III) TEMPORARY POSTPONEMENT OF CANCELLATIONS, NONRENEWALS, PREMIUM INCREASES, OR POLICY MODIFICATIONS;

(IV) PROCEDURES FOR OBTAINING NONELECTIVE HEALTH CARE SERVICES;

(V) TIME RESTRICTIONS FOR FILLING OR REFILLING PRESCRIPTION DRUGS;

(VI) TIME FRAMES APPLICABLE TO AN ACTION BY THE COMMISSIONER UNDER THIS ARTICLE; AND

(VII) ANY OTHER ACTIVITY NECESSARY TO PROTECT THE RESIDENTS OF THE STATE.

(C) (1) TO ACTIVATE A REGULATION ADOPTED UNDER THIS SECTION, THE COMMISSIONER SHALL ISSUE A BULLETIN SPECIFYING:

(I) THAT THE REGULATION IS ACTIVATED;

(II) THE LINE OR LINES OF BUSINESS TO WHICH THE REGULATION APPLIES;

(III) THE GEOGRAPHIC AREAS TO WHICH THE REGULATION APPLIES; AND

(IV) THE PERIOD OF TIME FOR WHICH THE REGULATION APPLIES.

(2) A REGULATION ACTIVATED UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT APPLY BEYOND THE DURATION OF, OR THE GEOGRAPHICAL AREA INCLUDED WITHIN, THE GOVERNOR'S OR PRESIDENT'S DECLARATION OF A STATE OF EMERGENCY OR DISASTER.

(3) THE COMMISSIONER:

(I) SHALL PROVIDE A COPY OF THE BULLETIN TO THE EMERGENCY CONTACT DESIGNATED BY THE PERSON SUBJECT TO THE BULLETIN; AND

**(II) MAY POST A COPY OF THE BULLETIN ON THE
ADMINISTRATION'S WEBSITE.**

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

Approved by the Governor, April 8, 2008.