

HOUSE BILL 1071

C3

9lr2489
CF SB 854

By: ~~Delegate Kach~~ **Delegates Kach, Manno, and Montgomery**

Introduced and read first time: February 13, 2009

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 22, 2009

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Definition of Coverage Decisions – Pharmacy Inquiries**

3 FOR the purpose of altering the definition of “coverage decision” so that it does not
4 include a pharmacy inquiry for purposes of a certain complaint process; defining
5 certain terms; and generally relating to health insurance coverage decisions.

6 BY repealing and reenacting, with amendments,
7 Article – Insurance
8 Section 15–10D–01
9 Annotated Code of Maryland
10 (2006 Replacement Volume and 2008 Supplement)

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

13 **Article – Insurance**

14 15–10D–01.

15 (a) In this subtitle the following words have the meanings indicated.

16 (b) “Appeal” means a protest filed by a member or a health care provider
17 with a carrier under its internal appeal process regarding a coverage decision
18 concerning a member.

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 (c) "Appeal decision" means a final determination by a carrier that arises
2 from an appeal filed with the carrier under its appeal process regarding a coverage
3 decision concerning a member.

4 (d) "Carrier" means a person that offers a health benefit plan and is:

5 (1) an authorized insurer that provides health insurance in the State;

6 (2) a nonprofit health service plan;

7 (3) a health maintenance organization;

8 (4) a dental plan organization; or

9 (5) except for a managed care organization, as defined in Title 15,
10 Subtitle 1 of the Health – General Article, any other person that offers a health benefit
11 plan subject to regulation by the State.

12 (e) "Complaint" means a protest filed with the Commissioner involving a
13 coverage decision other than that which is covered by Subtitle 10A of this title.

14 (f) (1) "Coverage decision" means an initial determination by a carrier or
15 a representative of the carrier that results in noncoverage of a health care service.

16 (2) "Coverage decision" includes nonpayment of all or any part of a
17 claim.

18 (3) "Coverage decision" does not include:

19 (I) an adverse decision as defined in § 15–10A–01(b) of this
20 title; **OR**

21 (II) **A PHARMACY INQUIRY.**

22 (g) "Designee of the Commissioner" means any person to whom the
23 Commissioner has delegated the authority to review and decide complaints filed under
24 this subtitle, including an administrative law judge to whom the authority to conduct
25 a hearing has been delegated for recommended or final decision.

26 (h) (1) "Health benefit plan" means:

27 (i) a hospital or medical policy or contract, including a policy or
28 contract issued under a multiple employer trust or association;

29 (ii) a hospital or medical policy or contract issued by a nonprofit
30 health service plan;

1 (iii) a health maintenance organization contract; or

2 (iv) a dental plan organization contract.

3 (2) "Health benefit plan" does not include one or more, or any
4 combination of the following:

5 (i) long-term care insurance;

6 (ii) disability insurance;

7 (iii) accidental travel and accidental death and dismemberment
8 insurance;

9 (iv) credit health insurance;

10 (v) a health benefit plan issued by a managed care organization,
11 as defined in Title 15, Subtitle 1 of the Health – General Article;

12 (vi) disease-specific insurance; or

13 (vii) fixed indemnity insurance.

14 (i) "Health care provider" means:

15 (1) an individual who is licensed under the Health Occupations Article
16 to provide health care services in the ordinary course of business or practice of a
17 profession and is a treating provider of the member; or

18 (2) a hospital, as defined in § 19-301 of the Health – General Article.

19 (j) "Health care service" means a health or medical care procedure or service
20 rendered by a health care provider that:

21 (1) provides testing, diagnosis, or treatment of a human disease or
22 dysfunction; or

23 (2) dispenses drugs, medical devices, medical appliances, or medical
24 goods for the treatment of a human disease or dysfunction.

25 (k) (1) "Member" means a person entitled to health care services under a
26 policy, plan, or contract issued or delivered in the State by a carrier.

27 (2) "Member" includes:

28 (i) a subscriber; and

29 (ii) unless preempted by federal law, a Medicare recipient.

1 (3) "Member" does not include a Medicaid recipient.

2 (L) "PHARMACY BENEFITS MANAGER" HAS THE MEANING STATED IN §
3 15-1601 OF THIS TITLE.

4 (M) "PHARMACY INQUIRY" MEANS AN INQUIRY SUBMITTED BY A
5 PHARMACIST OR PHARMACY ON BEHALF OF A MEMBER TO A CARRIER OR A
6 PHARMACY BENEFITS MANAGER AT THE POINT OF SALE ABOUT THE SCOPE OF
7 PHARMACY COVERAGE, PHARMACY BENEFIT DESIGN, OR FORMULARY UNDER A
8 HEALTH BENEFIT PLAN.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2009.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.