

HOUSE BILL 1366

C3

9lr3112

By: **Delegates Bromwell and Kipke**

Introduced and read first time: February 20, 2009

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Assignment of Benefits**

3 FOR the purpose of prohibiting a carrier from prohibiting the assignment of benefits
4 to a health care provider by an insured, subscriber, or enrollee; prohibiting a
5 carrier from refusing to directly reimburse a health care provider under an
6 assignment of benefits; defining certain terms; and generally relating to the
7 assignment of benefits under health insurance.

8 BY adding to

9 Article – Health – General

10 Section 19–706(ttt)

11 Annotated Code of Maryland

12 (2005 Replacement Volume and 2008 Supplement)

13 BY adding to

14 Article – Insurance

15 Section 15–132

16 Annotated Code of Maryland

17 (2006 Replacement Volume and 2008 Supplement)

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

20 **Article – Health – General**

21 19–706.

22 **(TTT) THE PROVISIONS OF § 15–132 OF THE INSURANCE ARTICLE APPLY**
23 **TO HEALTH MAINTENANCE ORGANIZATIONS.**

24 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **15-132.**

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
3 MEANINGS INDICATED.

4 (2) "ASSIGNMENT OF BENEFITS" MEANS THE TRANSFER OF
5 HEALTH CARE COVERAGE REIMBURSEMENT BENEFITS OR OTHER RIGHTS
6 UNDER A HEALTH BENEFIT PLAN BY AN INSURED, SUBSCRIBER, OR ENROLLEE
7 TO A HEALTH CARE PROVIDER.

8 (3) (I) "CARRIER" MEANS:

- 9 1. AN INSURER;
- 10 2. A NONPROFIT HEALTH SERVICE PLAN;
- 11 3. A HEALTH MAINTENANCE ORGANIZATION;
- 12 4. A DENTAL PLAN ORGANIZATION;
- 13 5. ANY PERSON OR ENTITY ACTING AS A THIRD
14 PARTY ADMINISTRATOR; OR
- 15 6. ANY OTHER PERSON THAT PROVIDES HEALTH
16 BENEFIT PLANS SUBJECT TO REGULATION BY THE STATE.

17 (II) "CARRIER" INCLUDES AN ENTITY THAT ARRANGES A
18 PROVIDER PANEL FOR A CARRIER.

19 (4) "HEALTH BENEFIT PLAN" HAS THE MEANING STATED IN §
20 15-1201 OF THIS TITLE.

21 (5) "HEALTH CARE PROVIDER" MEANS A PERSON LICENSED,
22 CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH OCCUPATIONS
23 ARTICLE OR THE HEALTH - GENERAL ARTICLE TO PROVIDE HEALTH CARE
24 SERVICES.

25 (B) A CARRIER MAY NOT:

26 (1) PROHIBIT THE ASSIGNMENT OF BENEFITS TO A HEALTH CARE
27 PROVIDER BY AN INSURED, SUBSCRIBER, OR ENROLLEE; OR

1 **(2) REFUSE TO DIRECTLY REIMBURSE A HEALTH CARE PROVIDER**
2 **UNDER A VALID ASSIGNMENT OF BENEFITS.**

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