

# SENATE BILL 852

C3  
SB 448/06 – FIN

9lr2808

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By: **Senator Garagiola**  
Introduced and read first time: February 6, 2009  
Assigned to: Finance

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## 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**

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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.