

# HOUSE BILL 974

C3, J3

11r2549

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By: **Delegates Tarrant, Bromwell, Costa, Elliott, Hubbard, Kach, A. Kelly, Morhaim, Murphy, Oaks, Reznik, and V. Turner**  
Introduced and read first time: February 11, 2011  
Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Preauthorization of Health Care Services – Use of**  
3 **Electronic Health Records**

4 FOR the purpose of requiring certain health insurance carriers to make a decision on  
5 a request for preauthorization of a health care service or prescription within a  
6 certain period of time if the health care provider making the request uses a  
7 certain electronic health record that is connected to a certain health information  
8 exchange or serviced by a certain management service organization; providing  
9 that a carrier is deemed to have approved a request for preauthorization of a  
10 health care service or prescription if the carrier has not made a decision on the  
11 request within a certain period of time; providing for the application of this Act;  
12 defining certain terms; and generally relating to the use of electronic health  
13 records for preauthorization of health care services under health insurance.

14 BY adding to  
15 Article – Insurance  
16 Section 15–1011  
17 Annotated Code of Maryland  
18 (2006 Replacement Volume and 2010 Supplement)

19 BY adding to  
20 Article – Health – General  
21 Section 19–706 (kkkk)  
22 Annotated Code of Maryland  
23 (2009 Replacement Volume and 2010 Supplement)

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

26 **Article – Insurance**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1 15-1011.

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

4 (2) "CARRIER" MEANS:

5 (I) AN INSURER;

6 (II) A NONPROFIT HEALTH SERVICE PLAN;

7 (III) A HEALTH MAINTENANCE ORGANIZATION;

8 (IV) A DENTAL PLAN ORGANIZATION; OR

9 (V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT  
10 PLANS SUBJECT TO REGULATION BY THE STATE.

11 (3) "ELECTRONIC HEALTH RECORD" HAS THE MEANING STATED  
12 IN § 19-142 OF THE HEALTH - GENERAL ARTICLE.

13 (4) "HEALTH INFORMATION EXCHANGE" HAS THE MEANING  
14 STATED IN § 19-142 OF THE HEALTH - GENERAL ARTICLE.

15 (5) "MANAGEMENT SERVICE ORGANIZATION" HAS THE MEANING  
16 STATED IN § 19-142 OF THE HEALTH - GENERAL ARTICLE.

17 (B) IF A HEALTH CARE PROVIDER USES AN ELECTRONIC HEALTH  
18 RECORD THAT IS CONNECTED TO THE STATE-DESIGNATED HEALTH  
19 INFORMATION EXCHANGE OR SERVICED BY A STATE-DESIGNATED  
20 MANAGEMENT SERVICE ORGANIZATION TO REQUEST PREAUTHORIZATION OF A  
21 HEALTH CARE SERVICE OR PRESCRIPTION:

22 (1) THE CARRIER SHALL MAKE A DECISION ON THE REQUEST FOR  
23 PREAUTHORIZATION WITHIN 4 HOURS AFTER RECEIPT OF THE REQUEST; AND

24 (2) THE CARRIER IS DEEMED TO HAVE APPROVED THE HEALTH  
25 CARE SERVICE OR PRESCRIPTION IF THE CARRIER HAS NOT MADE A DECISION  
26 ON THE REQUEST FOR PREAUTHORIZATION WITHIN THE TIME SPECIFIED IN  
27 ITEM (1) OF THIS SUBSECTION.

28 Article - Health - General

1 19-706.

2           **(KKKK) THE PROVISIONS OF § 15-1011 OF THE INSURANCE ARTICLE**  
3 **APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2011.