

# SENATE BILL 744

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CF 2lr2299

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By: **Senators Madaleno, Colburn, Conway, Currie, Forehand, Glassman, Jones–Rodwell, King, Klausmeier, Manno, McFadden, Montgomery, Muse, Peters, Pugh, Ramirez, Raskin, Rosapepe, and Stone**

Introduced and read first time: February 3, 2012

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Habilitative Services – Required Coverage and**  
3 **Workgroup**

4 FOR the purpose of altering the age under which certain insurers, nonprofit health  
5 service plans, and health maintenance organizations must provide coverage of  
6 habilitative services; specifying the format in which a certain notice about the  
7 coverage must be provided; requiring the Maryland Insurance Commissioner to  
8 establish a workgroup on access to habilitative services benefits; specifying the  
9 composition of the workgroup; requiring the workgroup to make certain  
10 determinations; requiring the Commissioner to report the findings and  
11 recommendations of the workgroup, on or before a certain date, to certain  
12 legislative committees; altering a certain definition; and generally relating to  
13 health insurance coverage of habilitative services.

14 BY repealing and reenacting, with amendments,  
15 Article – Insurance  
16 Section 15–835  
17 Annotated Code of Maryland  
18 (2011 Replacement Volume)

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

21 **Article – Insurance**

22 15–835.

23 (a) (1) In this section the following words have the meanings indicated.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) (i) “Congenital or genetic birth defect” means a defect existing at or from birth, including a hereditary defect.

(ii) “Congenital or genetic birth defect” includes, but is not limited to:

1. autism or an autism spectrum disorder; [and]

2. cerebral palsy;

**3. INTELLECTUAL DISABILITY;**

**4. DOWN SYNDROME;**

**5. SPINA BIFIDA; AND**

**6. HYDROENCEPHALOCELE.**

(3) “Habilitative services” means services, including occupational therapy, physical therapy, and speech therapy, for the treatment of a child with a congenital or genetic birth defect to enhance the child’s ability to function.

(4) “Managed care system” means a method that an insurer, a nonprofit health service plan, or a health maintenance organization uses to review and preauthorize a treatment plan that a health care practitioner develops for a covered person using a variety of cost containment methods to control utilization, quality, and claims.

(b) This section applies to:

(1) insurers and nonprofit health service plans that provide hospital, medical, or surgical benefits to individuals or groups on an expense-incurred basis under health insurance policies or contracts that are issued or delivered in the State; and

(2) health maintenance organizations that provide hospital, medical, or surgical benefits to individuals or groups under contracts that are issued or delivered in the State.

(c) (1) An entity subject to this section shall provide coverage of habilitative services for children under the age of [19] **21** years and may do so through a managed care system.

(2) An entity subject to this section is not required to provide reimbursement for habilitative services delivered through early intervention or school services.

(d) An entity subject to this section shall provide notice annually to its insureds and enrollees about the coverage required under this section:

**(1) IN PRINT; AND**

**(2) ON ITS WEB SITE.**

(e) A determination by an entity subject to this section denying a request for habilitative services or denying payment for habilitative services on the grounds that a condition or disease is not a congenital or genetic birth defect is considered an “adverse decision” under § 15–10A–01 of this title.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Insurance Commissioner shall establish a workgroup on access to habilitative services benefits.

(b) The workgroup shall consist of physical therapists, occupational therapists, speech pathologists, K–12 and early intervention educators, a parent of a special needs child, and representatives of insurers, the Maryland Insurance Administration, the Maryland Health Care Commission, the Maryland State Department of Education, and the Department of Health and Mental Hygiene.

(c) The workgroup shall determine:

(1) whether children who are entitled to and would benefit from habilitative services under health insurance policies or contracts or health maintenance organization contracts are actually receiving them;

(2) if the children are not receiving the habilitative services, the reasons why; and

(3) any actions needed to promote optimum use of the habilitative services to:

(i) maximize outcomes for children; and

(ii) reduce long-term costs to the education and health care systems.

(d) On or before November 1, 2012, the Commissioner shall report, in accordance with § 2–1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee on the findings and recommendations of the workgroup.

1           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   July 1, 2012.