

SENATE BILL 582

C3

3lr2240
CF HB 1252

By: **Senators Kelley, Benson, Brinkley, Forehand, Klausmeier, Madaleno, Middleton, Montgomery, Pinsky, ~~and Pugh~~ Pugh, Astle, Garagiola, Glassman, Kittleman, Mathias, and Ramirez**

Introduced and read first time: February 1, 2013
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 19, 2013

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Federal Mental Health Parity and Addiction Equity Act –**
3 **Utilization Review Criteria and Standards**

4 FOR the purpose of requiring ~~the information that a private review agent submits to~~
5 ~~the Maryland Insurance Commissioner in conjunction with a certain application~~
6 ~~to include certification by the private review agent that the criteria and~~
7 ~~standards to be used in conducting utilization review are, for review of mental~~
8 ~~health and substance use disorder benefits, in compliance with the federal~~
9 ~~Mental Health Parity and Addiction Equity Act; prohibiting a private review~~
10 ~~agent from using criteria and standards to conduct utilization review unless the~~
11 ~~criteria and standards used by the private review agent are, for review of~~
12 ~~mental health and substance use disorder benefits, in compliance with the~~
13 ~~federal Mental Health Parity and Addiction Equity Act; making a stylistic~~
14 ~~change~~ entities that propose to issue or deliver certain insurance policies or
15 contracts in the State or to administer health benefit programs that provide
16 certain coverage to ensure that, when conducting utilization review for mental
17 health and substance use benefits, the criteria and standards used are in
18 compliance with the federal Mental Health Parity and Addiction Equity Act;
19 and generally relating to utilization review criteria and standards used by
20 ~~private review agents~~ for review of mental health and substance use disorder
21 benefits under health insurance and compliance with the federal Mental Health
22 Parity and Addiction Equity Act.

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 BY repealing and reenacting, with amendments,
 2 Article – Insurance
 3 Section ~~15-10B-05(a)(11)~~ and ~~15-10B-11(8)~~ 15-1001(b)
 4 Annotated Code of Maryland
 5 (2011 Replacement Volume and 2012 Supplement)

6 ~~BY repealing and reenacting, without amendments,~~
 7 ~~Article – Insurance~~
 8 ~~Section 15-10B-11(9)~~
 9 ~~Annotated Code of Maryland~~
 10 ~~(2011 Replacement Volume and 2012 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 ~~15-10B-05:~~

15 ~~(a) In conjunction with the application, the private review agent shall submit~~
 16 ~~information that the Commissioner requires including:~~

17 ~~(11) certification by the private review agent that the criteria and~~
 18 ~~standards to be used in conducting utilization review are:~~

19 ~~(i) objective;~~

20 ~~(ii) clinically valid;~~

21 ~~(iii) compatible with established principles of health care; [and]~~

22 ~~(iv) flexible enough to allow deviations from norms when~~
 23 ~~justified on a case by case basis; AND~~

24 ~~(v) FOR REVIEW OF MENTAL HEALTH AND SUBSTANCE USE~~
 25 ~~DISORDER BENEFITS, IN COMPLIANCE WITH THE FEDERAL MENTAL HEALTH~~
 26 ~~PARITY AND ADDICTION EQUITY ACT.~~

27 ~~15-10B-11:~~

28 ~~A private review agent may not:~~

29 ~~(8) use criteria and standards to conduct utilization review unless the~~
 30 ~~criteria and standards used by the private review agent are:~~

31 ~~(i) objective;~~

- 1 ~~(ii) clinically valid;~~
- 2 ~~(iii) compatible with established principles of health care; [or]~~
- 3 ~~(iv) flexible enough to allow deviations from norms when~~
 4 ~~justified on a case by case basis; [or] AND~~
- 5 ~~(v) FOR REVIEW OF MENTAL HEALTH AND SUBSTANCE USE~~
 6 ~~DISORDER BENEFITS, IN COMPLIANCE WITH THE FEDERAL MENTAL HEALTH~~
 7 ~~PARITY AND ADDICTION EQUITY ACT; OR~~
- 8 ~~(9) act as a private review agent without holding a certificate issued~~
 9 ~~under this subtitle.~~

10 15-1001.

11 (b) (1) Subject to paragraph (2) of this subsection, each entity subject to
 12 this section shall:

13 (i) 1. have a certificate issued under Subtitle 10B of this
 14 title; or

15 ~~[(ii)]~~ 2. contract with a private review agent that has a
 16 certificate issued under Subtitle 10B of this title; AND

17 **(II) WHEN CONDUCTING UTILIZATION REVIEW FOR MENTAL**
 18 **HEALTH AND SUBSTANCE USE BENEFITS, ENSURE THAT THE CRITERIA AND**
 19 **STANDARDS USED ARE IN COMPLIANCE WITH THE FEDERAL MENTAL HEALTH**
 20 **PARITY AND ADDICTION EQUITY ACT.**

21 (2) For hospital services, each entity subject to this section may
 22 contract with or delegate utilization review to a hospital utilization review program
 23 approved under § 19-319(d) of the Health – General Article.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 25 October 1, 2013.