

SENATE BILL 790

C3

EMERGENCY BILL

4lr1529

By: ~~Senator Kelley~~ Senators Kelley, Astle, Feldman, Glassman, Kittleman, Klausmeier, Mathias, Middleton, Pugh, and Ramirez

Introduced and read first time: January 31, 2014

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2014

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Communications Between Carriers and Enrollees –**
3 **Conformity With the Health Insurance Portability and Accountability Act**
4 **(HIPAA)**

5 FOR the purpose of requiring the Maryland Insurance Commissioner to develop and
6 make available a certain form for enrollees to use to request confidential
7 communications from certain health insurance carriers in accordance with
8 certain provisions of federal law; requiring carriers to accept a certain form for a
9 certain purpose under certain circumstances; providing that a certain notice
10 given by an insurer under certain circumstances is subject to certain provisions
11 of federal law; providing that a certain explanation of benefits is subject to
12 certain provisions of federal law; defining certain terms; providing for the
13 construction of certain provisions of this Act; making this Act an emergency
14 measure; and generally relating to conformity of insurance communications
15 with provisions of the federal Health Insurance Portability and Accountability
16 Act.

17 BY adding to
18 Article – Health – General
19 Section 19–706(oooo)
20 Annotated Code of Maryland
21 (2009 Replacement Volume and 2013 Supplement)

22 BY adding to

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 Article – Insurance
2 Section 15–141
3 Annotated Code of Maryland
4 (2011 Replacement Volume and 2013 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article – Insurance
7 Section 15–1006 and 15–1007
8 Annotated Code of Maryland
9 (2011 Replacement Volume and 2013 Supplement)

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

12 **Article – Health – General**

13 19–706.

14 **(0000) THE PROVISIONS OF § 15–141 OF THE INSURANCE ARTICLE**
15 **APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

16 **Article – Insurance**

17 **15–141.**

18 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
19 **MEANINGS INDICATED.**

20 **(2) “CARRIER” MEANS:**

21 **(I) AN INSURER;**

22 **(II) A NONPROFIT HEALTH SERVICE PLAN;**

23 **(III) A HEALTH MAINTENANCE ORGANIZATION;**

24 **(IV) A DENTAL PLAN ORGANIZATION; OR**

25 **(V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT**
26 **PLANS SUBJECT TO REGULATION BY THE STATE.**

27 **(3) “ENROLLEE” MEANS A PERSON ENTITLED TO HEALTH CARE**
28 **BENEFITS FROM A CARRIER.**

29 **(B) THE COMMISSIONER SHALL DEVELOP AND MAKE AVAILABLE A**
30 **STANDARDIZED FORM FOR AN ENROLLEE TO USE TO REQUEST CONFIDENTIAL**

1 COMMUNICATIONS FROM A CARRIER IN ACCORDANCE WITH 45 C.F.R. §
2 164.522(B).

3 (C) A CARRIER THAT REQUIRES AN ENROLLEE TO MAKE A REQUEST
4 FOR CONFIDENTIAL COMMUNICATIONS IN WRITING IN ACCORDANCE WITH 45
5 C.F.R. § 164.522(B) SHALL ACCEPT THE STANDARDIZED FORM DEVELOPED BY
6 THE COMMISSIONER UNDER THIS SECTION FOR THAT PURPOSE.

7 (D) THIS SECTION MAY NOT BE CONSTRUED TO LIMIT ACCEPTANCE BY A
8 CARRIER OF ANY OTHER FORM OF WRITTEN REQUEST FROM AN ENROLLEE FOR
9 CONFIDENTIAL COMMUNICATIONS FROM A CARRIER UNDER 45 C.F.R. §
10 164.522(B).

11 15-1006.

12 (a) On written request of the claimant, an insurer that denies a claim made
13 on an individual health insurance policy shall give written notice to the claimant that
14 states fully the reason for the denial.

15 (b) The reason given by an insurer for denial of a claim shall not act as an
16 estoppel or limit the insurer from offering an additional reason for the denial.

17 (C) THE NOTICE GIVEN BY AN INSURER UNDER THIS SECTION IS
18 SUBJECT TO 45 C.F.R. § 164.522(B).

19 15-1007.

20 (a) This section applies to insurers and nonprofit health service plans that
21 propose to issue or deliver individual, group, or blanket health insurance policies or
22 contracts or to administer health benefit programs that provide hospital, medical, or
23 surgical benefits on an expense-incurred basis.

24 (b) Each entity subject to this section shall provide to an insured individual
25 who has filed a claim described in subsection (c) of this section an annual summary
26 explanation of benefits that covers the preceding 12-month period.

27 (c) The summary explanation of benefits required under subsection (b) of
28 this section shall provide a summary of:

29 (1) all claims filed by health care providers for services rendered to the
30 insured individual or covered dependent of the insured individual during an inpatient
31 hospitalization or an outpatient surgical procedure;

32 (2) the amount paid by the entity for each claim filed; and

33 (3) the balance owed by the insured individual for each claim filed.

1 (D) THE EXPLANATION OF BENEFITS REQUIRED UNDER THIS SECTION
2 IS SUBJECT TO 45 C.F.R. § 164.522(B).

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect~~
4 ~~October 1, 2014~~ is an emergency measure, is necessary for the immediate preservation
5 of the public health or safety, has been passed by a yea and nay vote supported by
6 three-fifths of all the members elected to each of the two Houses of the General
7 Assembly, and shall take effect from the date it is enacted.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.