

SB0638/827471/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 638
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Senator Augustine” and substitute “Senators Augustine, Beidle, Benson, Feldman, Hayes, Hershey, Jennings, Kelley, Klausmeier, Kramer, and Ready”; in line 7, after “organization;” insert “requiring a certain administrative services organization to pay certain interest to certain persons under certain circumstances; establishing that a certain administrative services organization is subject to certain penalties for a violation of certain provisions of this Act; establishing that a certain administrative services organization is subject to certain provisions of law in connection with certain investigations or examinations;”; in line 16, after “2–108” insert “and 15–1005(g) and (h)”; and after line 18, insert:

“BY adding to
Article - Insurance
Section 15–1005(j)
Annotated Code of Maryland
(2017 Replacement Volume and 2020 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 17, insert:

“15–1005.

(g) (1) If an insurer, nonprofit health service plan, [or] health maintenance organization, OR ADMINISTRATIVE SERVICES ORGANIZATION THAT ADMINISTERS THE DELIVERY SYSTEM FOR SPECIALTY MENTAL HEALTH SERVICES ESTABLISHED UNDER § 15–103(B)(21) OF THE HEALTH – GENERAL ARTICLE fails to pay a clean claim for reimbursement or otherwise violates any provision of this section, the insurer, nonprofit health service plan, [or] health maintenance organization, OR ADMINISTRATIVE SERVICES ORGANIZATION shall pay interest on

(Over)

the amount of the claim that remains unpaid 30 days after receipt of the initial clean claim for reimbursement at the monthly rate of:

- (i) 1.5% from the 31st day through the 60th day;
- (ii) 2% from the 61st day through the 120th day; and
- (iii) 2.5% after the 120th day.

(2) The interest paid under this subsection shall be included in any late reimbursement without the necessity for the person that filed the original claim to make an additional claim for that interest.

(h) An insurer, nonprofit health service plan, [or] health maintenance organization, OR ADMINISTRATIVE SERVICES ORGANIZATION THAT ADMINISTERS THE DELIVERY SYSTEM FOR SPECIALTY MENTAL HEALTH SERVICES ESTABLISHED UNDER § 15-103(B)(21) OF THE HEALTH – GENERAL ARTICLE that violates a provision of this section is subject to:

(1) a fine not exceeding \$500 for each violation that is arbitrary and capricious, based on all available information; and

(2) the penalties prescribed under § 4-113(d) of this article for violations committed with a frequency that indicates a general business practice.

(J) AN ADMINISTRATIVE SERVICES ORGANIZATION THAT ADMINISTERS THE DELIVERY SYSTEM FOR SPECIALTY MENTAL HEALTH SERVICES ESTABLISHED UNDER § 15-103(B)(21) OF THE HEALTH – GENERAL ARTICLE IS SUBJECT TO THE PROVISIONS OF TITLE 2, SUBTITLE 2 OF THIS ARTICLE IN CONNECTION WITH ANY INVESTIGATION OR EXAMINATION OF POTENTIAL VIOLATIONS OF THIS SECTION.’