

SENATE BILL 549

J1

EMERGENCY BILL

2lr1849
CF HB 715

By: **Senator Augustine**

Introduced and read first time: January 31, 2022

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Administrative Services Organizations – Requirements for Retraction,**
3 **Repayment, or Mitigation of Claims**

4 FOR the purpose of prohibiting an administrative services organization that administers
5 the delivery of specialty mental health services under the Maryland Medical
6 Assistance Program from retracting, requiring repayment of, or seeking mitigation
7 of certain claims made by health care providers unless the administrative services
8 organization provides to the health care providers certain forms and information;
9 requiring an administrative services organization to incur the expense of retaining
10 an independent auditor to determine amounts owed by health care providers on
11 certain claims under certain circumstances; prohibiting an administrative services
12 organization from using State money or otherwise passing onto the State certain
13 expenses; and generally relating to administrative services organizations.

14 BY repealing and reenacting, with amendments,
15 Article – Health – General
16 Section 15–103(b)(21)(vi)
17 Annotated Code of Maryland
18 (2019 Replacement Volume and 2021 Supplement)

19 BY adding to
20 Article – Health – General
21 Section 15–103.8
22 Annotated Code of Maryland
23 (2019 Replacement Volume and 2021 Supplement)

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

26 **Article – Health – General**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 15-103.

2 (b) (21) (vi) The provisions of **§ 15-103.8 OF THIS SUBTITLE AND § 15-1005**
3 of the Insurance Article apply to the delivery system for specialty mental health services
4 established under this paragraph and administered by an administrative services
5 organization.

6 **15-103.8.**

7 (A) **THIS SECTION APPLIES ONLY TO:**

8 (1) **AN ADMINISTRATIVE SERVICES ORGANIZATION:**

9 (I) **THAT ADMINISTERS THE DELIVERY SYSTEM FOR SPECIALTY**
10 **MENTAL HEALTH SERVICES UNDER § 15-103(B)(21) OF THIS SUBTITLE; AND**

11 (II) **TO WHICH CLAIMS WERE MADE BY HEALTH CARE**
12 **PROVIDERS FOR DATES OF SERVICE:**

13 1. **IN 2019 THAT WERE PROCESSED OR REPROCESSED**
14 **AFTER JANUARY 1, 2020; OR**

15 2. **FROM JANUARY 1, 2020, TO AUGUST 3, 2020, BOTH**
16 **INCLUSIVE; AND**

17 (2) **WITH RESPECT TO CLAIMS MADE BY HEALTH CARE PROVIDERS**
18 **FOR DATES OF SERVICE:**

19 (I) **IN 2019 THAT WERE PROCESSED OR REPROCESSED AFTER**
20 **JANUARY 1, 2020; OR**

21 (II) **FROM JANUARY 1, 2020, TO AUGUST 3, 2020, BOTH**
22 **INCLUSIVE.**

23 (B) **AN ADMINISTRATIVE SERVICES ORGANIZATION MAY NOT RETRACT,**
24 **REQUIRE REPAYMENT OF, OR SEEK MITIGATION OF A CLAIM UNLESS THE**
25 **ADMINISTRATIVE SERVICES ORGANIZATION PROVIDES THE HEALTH CARE**
26 **PROVIDER FROM WHICH IT IS SEEKING A RETRACTION, REPAYMENT, OR**
27 **MITIGATION:**

28 (1) **FOR EVERY ENCOUNTER, CLAIM, AND PAYMENT ADJUSTMENT, A**
29 **HEALTHCARE ELECTRONIC REMITTANCE ADVICE FORM 835 THAT:**

30 (I) **IS DELIVERED AT THE SAME TIME AS THE CLAIM PAYMENT;**

1 **(II) CAN BE UPLOADED IN A STANDARD FORMAT THAT MEETS**
2 **THE REQUIREMENTS OF THE ADMINISTRATIVE SIMPLIFICATION RULES OF THE**
3 **FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT;**

4 **(III) CONTAINS THE DENIAL REASON FOR EACH CLAIM, USING**
5 **DENIAL CODES THAT COMPLY WITH THE REQUIREMENTS OF THE ADMINISTRATIVE**
6 **SIMPLIFICATION RULES OF THE FEDERAL HEALTH INSURANCE PORTABILITY AND**
7 **ACCOUNTABILITY ACT; AND**

8 **(IV) FOR A CLAIM THAT IS DENIED IN WHOLE OR IN PART,**
9 **IDENTIFIES ALL REASONS FOR THE DENIAL AND THE SPECIFIC ADDITIONAL**
10 **INFORMATION NECESSARY FOR THE CLAIM TO BE CONSIDERED A CLEAN CLAIM, IN**
11 **ACCORDANCE WITH § 15-1005(C)(2) OF THE INSURANCE ARTICLE;**

12 **(2) FOR ALL CLAIMS PROCESSED OR REPROCESSED, A FULL CLAIMS**
13 **HISTORY THAT INCLUDES:**

14 **(I) LINKS FOR EACH REPROCESSED CLAIM TO THE ORIGINAL**
15 **CLAIM AND ORIGINAL CLAIM NUMBER;**

16 **(II) THE DATES OF EACH REPROCESSING OF A CLAIM;**

17 **(III) ACCURATE CHECK NUMBERS ASSOCIATED WITH EACH**
18 **REPROCESSING OF A CLAIM; AND**

19 **(IV) ACCURATE CHECK DATES ASSOCIATED WITH EACH**
20 **REPROCESSING OF A CLAIM;**

21 **(3) FOR ALL CLAIMS PROCESSED OR REPROCESSED, ACCESS TO**
22 **ELECTRONIC REPORTING AND SEARCH CAPACITY THAT MEETS BASIC INDUSTRY**
23 **STANDARDS AND INCLUDES:**

24 **(I) RECIPIENT ELIGIBILITY STATUS;**

25 **(II) UNINSURED REQUESTS; AND**

26 **(III) THE STATUS OF ALL CLAIMS, INCLUDING THOSE DENIED;**

27 **(4) FOR EACH CLAIMS BATCH THAT FAILS OR IS REJECTED, A 999**
28 **FUNCTIONAL ACKNOWLEDGEMENT REPORT; AND**

1 **(5) FOR EACH CLAIM THAT HAS NOT PROCEEDED TO ADJUDICATION,**
2 **A 277 CLAIMS ACKNOWLEDGEMENT REPORT THAT IDENTIFIES THE CLAIM.**

3 **(C) (1) IF AN ADMINISTRATIVE SERVICES ORGANIZATION DOES NOT**
4 **COMPLY WITH THE REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE**
5 **ADMINISTRATIVE SERVICES ORGANIZATION SHALL INCUR THE EXPENSE OF**
6 **RETAINING AN INDEPENDENT AUDITOR TO DETERMINE, WITH INPUT FROM**
7 **AFFECTED HEALTH CARE PROVIDERS, ANY AMOUNTS OWED BY HEALTH CARE**
8 **PROVIDERS.**

9 **(2) THE SOLE PURPOSE OF AN INDEPENDENT AUDITOR RETAINED**
10 **UNDER THIS SUBSECTION IS TO DETERMINE THE AMOUNTS OWED BY HEALTH CARE**
11 **PROVIDERS AND THE INDEPENDENT AUDITOR MAY NOT MAKE ANY ADDITIONAL**
12 **FINDINGS.**

13 **(3) IF A HEALTH CARE PROVIDER DISAGREES WITH AN INDEPENDENT**
14 **AUDITOR'S FINDINGS, THE HEALTH CARE PROVIDER MAY APPEAL THE FINDINGS**
15 **UNDER THE ADMINISTRATIVE PROCEDURES ACT.**

16 **(D) ON THE REQUEST OF A HEALTH CARE PROVIDER AND FOLLOWING**
17 **REASONABLE EFFORTS TO REACH RESOLUTION, AN ADMINISTRATIVE SERVICES**
18 **ORGANIZATION SHALL RETAIN AN INDEPENDENT AUDITOR TO DETERMINE THE**
19 **AMOUNTS OWED BY THE HEALTH CARE PROVIDER.**

20 **(E) AN ADMINISTRATIVE SERVICES ORGANIZATION MAY NOT USE STATE**
21 **MONEY OR OTHERWISE PASS ON TO THE STATE THE EXPENSE FOR RETAINING AN**
22 **AUDITOR UNDER SUBSECTIONS (C) AND (D) OF THIS SECTION.**

23 **(F) THE DEPARTMENT SHALL IMMEDIATELY AMEND ITS CONTRACT WITH**
24 **AN ADMINISTRATIVE SERVICES ORGANIZATION TO CONFORM THE CONTRACT TO**
25 **THE REQUIREMENTS OF THIS SECTION.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That not later than 30 days after
27 the enactment of this Act, the Maryland Department of Health shall report to the Senate
28 Finance Committee, the Senate Budget and Taxation Committee, the House Health and
29 Government Operations Committee, and the House Appropriations Committee, in
30 accordance with § 2-1257 of the State Government Article, on the following information
31 relating to health care providers who provide services under the delivery system for
32 specialty mental health services established under § 15-103(b)(21) of the Health – General
33 Article:

34 (1) the differentials between estimated payments paid to health care
35 providers from January 1, 2020 to August 3, 2020, both inclusive, and the amount of claims

1 submitted by health care providers for the dates of service during the estimated payment
2 period;

3 (2) the amount of the differential attributed to service disruptions due to
4 the COVID-19 pandemic; and

5 (3) any plan to forgive health care provider balances because of service
6 disruptions due to the COVID-19 pandemic.

7 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency
8 measure, is necessary for the immediate preservation of the public health or safety, has
9 been passed by a ye and nay vote supported by three-fifths of all the members elected to
10 each of the two Houses of the General Assembly, and shall take effect from the date it is
11 enacted. It shall remain effective for a period of two years from the date it is enacted, and,
12 at the end of the 2-year period, this Act, with no further action required by the General
13 Assembly, shall be abrogated and of no further force and effect.