

SENATE BILL 724

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By: Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)

Introduced and read first time: February 6, 2023

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance Carriers – Requirements for Internal Grievance Process**
3 **– Modification**

4 FOR the purpose of altering the process by which a health insurance carrier is required to
5 provide notice of an adverse decision in nonemergency cases under the internal
6 grievance process established by the carrier for its members; and generally relating
7 to health insurance and requirements for internal grievance processes.

8 BY repealing and reenacting, without amendments,
9 Article – Insurance
10 Section 15–10A–02(a)
11 Annotated Code of Maryland
12 (2017 Replacement Volume and 2022 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Insurance
15 Section 15–10A–02(f)
16 Annotated Code of Maryland
17 (2017 Replacement Volume and 2022 Supplement)

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

20 **Article – Insurance**

21 15–10A–02.

22 (a) Each carrier shall establish an internal grievance process for its members.

23 (f) For nonemergency cases, when a carrier renders an adverse decision, the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 carrier shall:

2 (1) [document the adverse decision in writing after the carrier has provided
3 oral communication of the decision to] **INFORM** the member, the member's representative,
4 or the health care provider acting on behalf of the member **OF THE ADVERSE DECISION:**

5 (I) **ORALLY BY TELEPHONE; OR**

6 (II) **WITH THE AFFIRMATIVE CONSENT OF THE MEMBER, THE**
7 **MEMBER'S REPRESENTATIVE, OR THE HEALTH CARE PROVIDER ACTING ON BEHALF**
8 **OF THE MEMBER, BY TEXT, FACSIMILE, E-MAIL, AN ONLINE PORTAL, OR OTHER**
9 **EXPEDITED MEANS;** and

10 (2) send, within 5 working days after the adverse decision has been made,
11 a written notice to the member, the member's representative, and a health care provider
12 acting on behalf of the member that:

13 (i) states in detail in clear, understandable language the specific
14 factual bases for the carrier's decision;

15 (ii) references the specific criteria and standards, including
16 interpretive guidelines, on which the decision was based, and may not solely use
17 generalized terms such as "experimental procedure not covered", "cosmetic procedure not
18 covered", "service included under another procedure", or "not medically necessary";

19 (iii) states the name, business address, and business telephone
20 number of:

21 1. the medical director or associate medical director, as
22 appropriate, who made the decision if the carrier is a health maintenance organization; or

23 2. the designated employee or representative of the carrier
24 who has responsibility for the carrier's internal grievance process if the carrier is not a
25 health maintenance organization;

26 (iv) gives written details of the carrier's internal grievance process
27 and procedures under this subtitle; and

28 (v) includes the following information:

29 1. that the member, the member's representative, or a health
30 care provider on behalf of the member has a right to file a complaint with the Commissioner
31 within 4 months after receipt of a carrier's grievance decision;

32 2. that a complaint may be filed without first filing a
33 grievance if the member, the member's representative, or a health care provider filing a

1 grievance on behalf of the member can demonstrate a compelling reason to do so as
2 determined by the Commissioner;

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2023.