

HOUSE BILL 1376

J5, J1, J4

(6lr3433)

ENROLLED BILL

— Health/Finance —

Introduced by ~~Delegate Rosenberg~~ Delegates Rosenberg, Alston, Bagnall, Cullison, Guzzone, Hill, Hutchinson, Kaufman, Kipke, Lopez, Martinez, M. Morgan, Reilly, Ross, Szeliga, White Holland, and Woorman

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Maryland Medical Assistance Program, Maryland Children’s Health Program,**
3 **and Health Insurance – Transfers to Special Pediatric Hospitals – Requirements**

4 FOR the purpose of requiring the Maryland Medical Assistance Program, and the
5 Maryland Children’s Health Program, ~~managed care organizations, and certain~~
6 ~~health insurers, nonprofit health service plans, and health maintenance~~
7 ~~organizations~~ to provide a prior authorization determination regarding a transfer on
8 request of a special pediatric hospital ~~or referring health care provider, to provide a~~
9 ~~retrospective review of a determination of medical necessity under certain~~
10 ~~circumstances, and to reimburse a special pediatric hospital or a referring health~~
11 ~~care provider for administrative days at the applicable rate for a certain period~~
12 within a certain number of business days; requiring the Maryland Department of
13 Health to adopt regulations, on or before a certain date, establishing a retrospective

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.

Italics indicate opposite chamber/conference committee amendments.



1 review process for special pediatric hospitals; and generally relating to transfers to
2 special pediatric hospitals.

3 BY repealing and reenacting, without amendments,
4 Article – Health – General
5 Section 15–101(a) and (k), ~~15–102.3(m)~~, and 15–103(a)(1) ~~and (2)(xxvi)~~
6 Annotated Code of Maryland
7 (2023 Replacement Volume and 2025 Supplement)

8 BY repealing
9 Article – Health – General
10 Section 15–102.3(m)
11 Annotated Code of Maryland
12 (2023 Replacement Volume and 2025 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Health – General
15 Section 15–102.3(n) and (o), 15–103(a)(2)(xxvi), and 15–158
16 Annotated Code of Maryland
17 (2023 Replacement Volume and 2025 Supplement)

18 ~~BY repealing and reenacting, with amendments,~~
19 ~~Article – Insurance~~
20 ~~Section 15–861~~
21 ~~Annotated Code of Maryland~~
22 ~~(2017 Replacement Volume and 2025 Supplement)~~

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

25 **Article – Health – General**

26 15–101.

27 (a) In this title the following words have the meanings indicated.

28 (k) “Special pediatric hospital” means a facility in the State that provides
29 nonacute medical, rehabilitation, therapy, and palliative services to individuals:

30 (1) Under the age of 22 years; or

31 (2) Who are at least 2 years old and under the age of 23 years and have
32 co-occurring physical and behavioral health conditions.

33 15–102.3.

1 ~~(m) Beginning January 1, 2026, the provisions of § 15–861 of the Insurance Article~~
2 ~~apply to managed care organizations in the same manner that they apply to carriers.~~

3 [(n)] (M) Beginning January 1, 2026, the provisions of § 15–862 of the Insurance
4 Article apply to managed care organizations in the same manner that they apply to carriers.

5 [(o)] (N) The provisions of § 15–863 of the Insurance Article apply to managed
6 care organizations in the same manner they apply to carriers.

7 15–103.

8 (a) (1) The Secretary shall administer the Maryland Medical Assistance
9 Program.

10 (2) The Program:

11 (xxvi) Beginning on January 1, 2026, shall provide coverage for a
12 transfer to a special pediatric hospital in accordance with ~~§ 15–861 of the Insurance Article~~
13 § 15–158 OF THIS SUBTITLE;

14 15–158.

15 (A) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
16 Program and the Maryland Children’s Health Program may not require prior authorization
17 for a transfer to a special pediatric hospital.

18 (2) AT THE REQUEST OF A SPECIAL PEDIATRIC HOSPITAL, THE
19 PROGRAM AND THE MARYLAND CHILDREN’S HEALTH PROGRAM SHALL PROVIDE A
20 PRIOR AUTHORIZATION DETERMINATION REGARDING A TRANSFER TO A SPECIAL
21 PEDIATRIC HOSPITAL WITHIN ~~2~~ 3 BUSINESS DAYS AFTER THE REQUEST IS
22 RECEIVED.

23 (B) (1) ON OR BEFORE DECEMBER 31, 2026, THE DEPARTMENT SHALL
24 ADOPT REGULATIONS ESTABLISHING A RETROSPECTIVE REVIEW PROCESS FOR
25 SPECIAL PEDIATRIC HOSPITALS.

26 (2) THE REGULATIONS ADOPTED UNDER PARAGRAPH (1) OF THIS
27 SUBSECTION SHALL:

28 (I) PROVIDE FOR A PEER-TO-PEER RECONSIDERATION OF A
29 MEDICAL NECESSITY DETERMINATION MADE BY THE DEPARTMENT OR ITS AGENT
30 ON REQUEST OF A PEDIATRIC SPECIALTY HOSPITAL;

31 (II) PROVIDE FOR RETROSPECTIVE REVIEW OF ANY MEDICAL
32 NECESSITY DETERMINATION ISSUED BY THE DEPARTMENT OR ITS AGENT DENYING:

1 1. ADMISSION TO A SPECIAL PEDIATRIC HOSPITAL ON
 2 OR AFTER ~~JULY~~ JANUARY 1, 2025; OR

3 2. REIMBURSEMENT FOR INPATIENT SERVICES OR
 4 OUTPATIENT SERVICES PROVIDED BY A SPECIAL PEDIATRIC HOSPITAL ON OR AFTER
 5 ~~JULY~~ JANUARY 1, 2025;

6 (III) COMPLY WITH TITLE 10, SUBTITLE 2 OF THE STATE
 7 GOVERNMENT ARTICLE; AND

8 (IV) PROVIDE THAT THE RETROSPECTIVE REVIEW PROCESS BE
 9 CONDUCTED BY A LICENSED PHYSICIAN.

10 (A) (1) ~~IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
 11 ~~INDICATED.~~

12 (2) ~~“ADMINISTRATIVE DAY” MEANS A DAY DURING WHICH A HEALTH~~
 13 ~~CARE PROVIDER DELIVERS CARE TO A PATIENT WHO NO LONGER REQUIRES CARE~~
 14 ~~FROM THE PROVIDER BUT WHO THE PROVIDER IS UNABLE TO DISCHARGE OR~~
 15 ~~TRANSFER TO ANOTHER CARE SETTING.~~

16 (3) ~~“MEDICALLY NECESSARY” MEANS THAT CARE IS:~~

17 (i) ~~DIRECTLY RELATED TO DIAGNOSTIC, PREVENTIVE,~~
 18 ~~CURATIVE, PALLIATIVE, REHABILITATIVE, OR AMELIORATIVE TREATMENT OF AN~~
 19 ~~ILLNESS, AN INJURY, A DISABILITY, OR ANY HEALTH CONDITION;~~

20 (ii) ~~CONSISTENT WITH ACCEPTED STANDARDS OF GOOD~~
 21 ~~MEDICAL PRACTICE; AND~~

22 (iii) ~~NOT PRIMARILY FOR THE CONVENIENCE OF THE PATIENT,~~
 23 ~~THE PATIENT’S FAMILY, OR THE PROVIDER.~~

24 (B) ~~The Program and the Maryland Children’s Health Program [may]:~~

25 (1) ~~MAY not require prior authorization for a transfer to a special pediatric~~
 26 ~~hospital; BUT~~

27 (2) ~~SUBJECT TO SUBSECTION (C) OF THIS SECTION, SHALL PROVIDE~~
 28 ~~A PRIOR AUTHORIZATION DETERMINATION FOR A TRANSFER TO A SPECIAL~~
 29 ~~PEDIATRIC HOSPITAL ON REQUEST OF THE SPECIAL PEDIATRIC HOSPITAL OR THE~~
 30 ~~REFERRING HEALTH CARE PROVIDER.~~

~~(C) IF THE PROGRAM OR MARYLAND CHILDREN'S HEALTH PROGRAM RECEIVE A REQUEST UNDER SUBSECTION (B)(2) OF THIS SECTION, THE PROGRAM OR MARYLAND CHILDREN'S HEALTH PROGRAM SHALL PROVIDE THE PRIOR AUTHORIZATION DETERMINATION WITHIN 3 BUSINESS DAYS AFTER THE REQUEST IS RECEIVED.~~

~~(D) (1) (i) IF A SPECIAL PEDIATRIC HOSPITAL OR A REFERRING HEALTH CARE PROVIDER DISAGREES WITH A DETERMINATION BY THE PROGRAM OR MARYLAND'S CHILDREN HEALTH PROGRAM THAT A TRANSFER TO A SPECIAL PEDIATRIC HOSPITAL IS NOT MEDICALLY NECESSARY, THE SPECIAL PEDIATRIC HOSPITAL OR THE REFERRING HEALTH CARE PROVIDER MAY REQUEST A RETROSPECTIVE REVIEW BY THE PROGRAM OR MARYLAND CHILDREN'S HEALTH PROGRAM IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.~~

~~(H) THE PROGRAM OR MARYLAND CHILDREN'S HEALTH PROGRAM SHALL CONDUCT A REQUESTED RETROSPECTIVE REVIEW EVEN IF THE ENROLLEE WILL NOT BENEFIT FINANCIALLY FROM THE OUTCOME OF THE APPEAL.~~

~~(2) IF A SPECIAL PEDIATRIC HOSPITAL OR A REFERRING HEALTH CARE PROVIDER REQUESTS A RETROSPECTIVE REVIEW UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE SPECIAL PEDIATRIC HOSPITAL OR THE REFERRING HEALTH CARE PROVIDER SHALL BE REIMBURSED FOR ALL ADMINISTRATIVE DAYS AT THE APPLICABLE RATE FROM THE DATE OF THE MEDICAL NECESSITY DETERMINATION UNTIL THE CONCLUSION OF THE RETROSPECTIVE REVIEW.~~

~~Article Insurance~~

~~15-861.~~

~~(a) (1) In this section[, "special"] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "ADMINISTRATIVE DAY" HAS THE MEANING STATED IN § 15-158 OF THE HEALTH GENERAL ARTICLE.~~

~~(3) "MEDICALLY NECESSARY" HAS THE MEANING STATED IN § 15-158 OF THE HEALTH GENERAL ARTICLE.~~

~~(4) "SPECIAL pediatric hospital" has the meaning stated in § 15-101 of the Health General Article.~~

~~(b) This section applies to:~~

~~(1) insurers and nonprofit health service plans that provide hospital, medical, or surgical benefits to individuals or groups on an expense incurred basis under health insurance policies or contracts that are issued or delivered in the State; and~~

~~(2) health maintenance organizations that provide hospital, medical, or surgical benefits to individuals or groups under contracts that are issued or delivered in the State.~~

~~(e) An entity subject to this section:~~

~~(1) may not require prior authorization for a transfer to a special pediatric hospital; BUT~~

~~(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, SHALL PROVIDE A PRIOR AUTHORIZATION DETERMINATION FOR A TRANSFER TO A SPECIAL PEDIATRIC HOSPITAL ON REQUEST OF A SPECIAL PEDIATRIC HOSPITAL OR A REFERRING HEALTH CARE PROVIDER.~~

~~(D) IF AN ENTITY SUBJECT TO THIS SECTION RECEIVES A REQUEST UNDER SUBSECTION (C)(2) OF THIS SECTION, THE ENTITY SHALL PROVIDE THE PRIOR AUTHORIZATION DETERMINATION WITHIN 3 BUSINESS DAYS AFTER THE REQUEST IS RECEIVED.~~

~~(E) (1) IF A SPECIAL PEDIATRIC HOSPITAL OR A REFERRING HEALTH CARE PROVIDER DISAGREES WITH A DETERMINATION BY THE ENTITY THAT A TRANSFER TO A SPECIAL PEDIATRIC HOSPITAL IS NOT MEDICALLY NECESSARY, THE SPECIAL PEDIATRIC HOSPITAL OR THE REFERRING HEALTH CARE PROVIDER MAY REQUEST A RETROSPECTIVE REVIEW BY THE ENTITY THAT MADE THE DETERMINATION.~~

~~(2) THE ENTITY THAT IS REQUESTED TO CONDUCT THE RETROSPECTIVE REVIEW SHALL CONDUCT THE REVIEW EVEN IF THE INSURED WILL NOT BENEFIT FINANCIALLY FROM THE OUTCOME OF THE APPEAL.~~

~~(3) IF A SPECIAL PEDIATRIC HOSPITAL OR A REFERRING HEALTH CARE PROVIDER REQUESTS A RETROSPECTIVE REVIEW UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE SPECIAL PEDIATRIC HOSPITAL OR THE REFERRING HEALTH CARE PROVIDER SHALL BE REIMBURSED FOR ALL ADMINISTRATIVE DAYS AT THE APPLICABLE RATE FROM THE DATE OF THE MEDICAL NECESSITY DETERMINATION UNTIL THE CONCLUSION OF THE RETROSPECTIVE REVIEW.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after January 1, 2027.~~

1 SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 ~~January 1, 2027~~ July 1, 2026.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.