

# SENATE BILL 790

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By: **Senator Kelley**

Introduced and read first time: January 31, 2014

Assigned to: Finance

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## A BILL ENTITLED

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; and generally relating  
13 to conformity of insurance communications with provisions of the federal Health  
14 Insurance Portability and Accountability Act.

15 BY adding to

16 Article – Health – General  
17 Section 19–706(oooo)  
18 Annotated Code of Maryland  
19 (2009 Replacement Volume and 2013 Supplement)

20 BY adding to

21 Article – Insurance  
22 Section 15–141  
23 Annotated Code of Maryland  
24 (2011 Replacement Volume and 2013 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Insurance  
27 Section 15–1006 and 15–1007  
28 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2011 Replacement Volume and 2013 Supplement)

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

4 **Article – Health – General**

5 19–706.

6 (0000) THE PROVISIONS OF § 15–141 OF THE INSURANCE ARTICLE  
7 APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.

8 **Article – Insurance**

9 15–141.

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

12 (2) “CARRIER” MEANS:

13 (I) AN INSURER;

14 (II) A NONPROFIT HEALTH SERVICE PLAN;

15 (III) A HEALTH MAINTENANCE ORGANIZATION;

16 (IV) A DENTAL PLAN ORGANIZATION; OR

17 (V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT  
18 PLANS SUBJECT TO REGULATION BY THE STATE.

19 (3) “ENROLLEE” MEANS A PERSON ENTITLED TO HEALTH CARE  
20 BENEFITS FROM A CARRIER.

21 (B) THE COMMISSIONER SHALL DEVELOP AND MAKE AVAILABLE A  
22 STANDARDIZED FORM FOR AN ENROLLEE TO USE TO REQUEST CONFIDENTIAL  
23 COMMUNICATIONS FROM A CARRIER IN ACCORDANCE WITH 45 C.F.R §  
24 164.522(B).

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

1 15-1006.

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

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

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

9 15-1007.

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

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

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

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

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

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

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

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 October 1, 2014.