

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1272

(Delegates Bagnall and Rosenberg)

Health and Government Operations

Finance

Maryland Insurance Commissioner Enforcement - Specialty Mental Health
Services and Payment of Claims - Sunset Extension

This emergency bill extends the termination date for provisions of law that (1) require the Maryland Insurance Commissioner to enforce clean claims laws for the administrative services organization (ASO) that administers the Medicaid specialty mental health system; (2) subject an ASO to certain clean claims requirements; and (3) specify certain actions the Insurance Commissioner must take regarding enforcement of clean claims provisions. The termination provisions are extended for two additional years to May 18, 2025.

Fiscal Summary

State Effect: The Maryland Insurance Administration (MIA) can continue to enforce clean claims provisions for the remainder of FY 2023 and in FY 2024 and 2025 using existing budgeted resources. MIA special fund revenues may increase by an indeterminate amount in FY 2023, 2024 and 2025 to the extent fines are assessed.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Chapters 151 and 152 of 2021 require the Insurance Commissioner to enforce a provision of law that specifies that § 15-1005 of the Insurance Article (which governs clean claims) applies to the delivery system for specialty mental health services established for Medicaid managed care organization enrollees and administered by an ASO. An ASO that administers the specialty mental health system is subject to (1) the

requirement to pay interest on unpaid clean claims; (2) specified current law fines and penalties for certain violations of clean claims requirements; and (3) the Insurance Commissioner's enforcement authority in connection with any investigation or examination of potential violations of clean claims provisions.

If the Insurance Commissioner determines that an ASO will use State funds or otherwise pass on the cost of any interest or penalty to the State, the Commissioner may not require payment of interest or impose a fine or penalty on the ASO. If the Insurance Commissioner investigates a complaint that an ASO violated clean claims requirements, any findings must be provided to the Maryland Department of Health. If the Insurance Commissioner conducts an examination of an ASO, the Commissioner must submit the examination report to specified committees of the General Assembly. Chapters 151 and 152 terminate May 18, 2023 (two years from the date of enactment).

Additional Information

Prior Introductions: Similar legislation has not been introduced within the prior three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Health; Maryland Insurance Administration; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2023
km/ljm Third Reader - March 20, 2023

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