

## CHAPTER 807

(House Bill 816)

AN ACT to add new Section 470D to Article 48A of the Annotated Code of Maryland (1972 Replacement Volume and 1972 Supplement), title "Insurance Code," subtitle "25. Health Insurance," to follow immediately after Section 470C thereof; to require all health insurers under this subtitle to ~~submit, concurrent with their annual statement to the Insurance Commissioner, a resume of their activities and efforts in the control of the overuse and abuse of hospital health and medical services provided to those insured under their policies and certificates~~ set up certain record keeping procedures and to submit a resume of these records to the Insurance Commissioner.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 470D be and it is hereby added to Article 48A of the Annotated Code of Maryland (1972 Replacement Volume and 1972 Supplement), title "Insurance Code," subtitle "25. Health Insurance," to follow immediately after Section 470C thereof and to read as follows:

470D.

(A) EVERY INSURER UNDER THIS SUBTITLE HAS THE RESPONSIBILITY TO SET UP ~~REVIEW~~ RECORD KEEPING PROCEDURES SO AS TO ~~EFFECTIVELY~~ PERMIT REVIEW FOR OVER-UTILIZATION AND ABUSE OF THE USE OF HOSPITAL, HEALTH AND MEDICAL SERVICES THAT MAY RESULT FROM THE ACTIONS OR ACTIVITIES OF THEIR POLICY OR CERTIFICATE HOLDERS, OR THE PROVIDERS OF HOSPITAL, HEALTH, AND MEDICAL SERVICES TO THE INSURED PERSONS, OR BOTH.

~~[(B) EVERY INSURER SHALL DEVELOP AND IMPLEMENT AN EFFECTIVE PROGRAM OF UTILIZATION CONTROL BASED ON THE INFORMATION AND KNOWLEDGE DEVELOPED THROUGH ITS REVIEW OF THE OVER-UTILIZATION AND ABUSE OF HOSPITAL, HEALTH AND MEDICAL SERVICES.]~~

~~[(C)]~~ (B) EVERY INSURER SHALL, CONCURRENT WITH THE FILING OF ITS ANNUAL STATEMENT WITH THE INSURANCE COMMISSIONER, SUBMIT A RESUME OF THE [REVIEWS CONDUCTED, PROGRAMS IMPLEMENTED AND THE EFFECTS OF ITS UTILIZATION PROGRAMS UPON OVERUSE, ABUSE AND OVER-UTILIZATION BY ITS INSURED OR THE PROVIDERS OF HOSPITAL, HEALTH, AND MEDICAL SERVICES TO THE INSURED PERSONS] RECORDS KEPT AS REQUIRED BY SUBSECTION (A) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1973.

Approved May 24, 1973.

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