

CHAPTER 669

(House Bill 1111)

AN ACT concerning

Health Insurance - Fraudulent Claims

FOR the purpose of permitting nonprofit health service plans to recover costs and expenses reasonably incurred in a successful action against a health care provider who makes false claims as to services rendered or amounts charged with the purpose of defrauding nonprofit health service plans; permitting a health care provider to recover costs and expenses reasonably incurred in defending such an action if the nonprofit health service plan is denied relief; providing that this Act does not limit certain other rights; and defining a certain term.

BY adding to

Article 48A - Insurance Code  
Section 361D  
Annotated Code of Maryland  
(1979 Replacement Volume and 1980 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 48A - Insurance Code

361D.

(A) (1) IN THIS SUBTITLE "HEALTH CARE PROVIDER" MEANS A PERSON ENTITLED TO PROVIDE HEALTH CARE IN THE STATE OF MARYLAND.

(2) "HEALTH CARE PROVIDER" INCLUDES SURGEONS, PHYSICIANS, DENTISTS, NURSES, OPTICIANS, OPTOMETRISTS, AND CHIROPODISTS.

(B) A NONPROFIT HEALTH SERVICE PLAN MAY RECOVER THE COSTS AND EXPENSES REASONABLY INCURRED BY IT IN A SUCCESSFUL ACTION AGAINST A HEALTH CARE PROVIDER IF THE NONPROFIT HEALTH SERVICE PLAN SHOWS THAT THE PROVIDER, KNOWINGLY OR WILLFULLY, MADE OR CAUSED TO BE MADE:

(1) A FALSE STATEMENT OR REPRESENTATION OF A MATERIAL FACT IN ANY APPLICATION FOR ANY BENEFIT OR PAYMENT UNDER THIS TITLE FROM A NONPROFIT HEALTH SERVICE PLAN;