

(i) After the hospital has notified the patient in writing of the potential disallowance; or

(ii) As a direct result of the noncompliance by the patient to treatment or hospital regulations.

(5) A hospital shall be exempt from requiring a utilization review program for a patient if:

(i) 1. The patient is insured by a third party payor; and

2. The third party payor has a utilization review program for its subscribers or beneficiaries which meet the minimum standards as adopted in paragraph (3) of this subsection; or

(ii) The patient is a subscriber or member of a health maintenance organization as defined in § 19-701 of this title.

(6) Where federal regulations or guidelines for a federally mandated utilization review program for federally insured patients differ from standards established under paragraph (3) of this subsection, the Secretary may waive a specific standard if the program achieves the same objectives as the standards established by the Secretary.

(7) THE SECRETARY MAY ESTABLISH RECORDKEEPING AND REPORTING REQUIREMENTS:

(I) TO EVALUATE THE EFFECTIVENESS OF HOSPITALS' UTILIZATION REVIEW PROGRAMS; AND

(II) TO DETERMINE IF THE UTILIZATION REVIEW PROGRAMS ARE IN COMPLIANCE WITH THE PROVISIONS OF THIS SECTION AND REGULATIONS ADOPTED BY THE SECRETARY TO ADMINISTER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1986.

Approved May 27, 1986.

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