

or group policy, contract, or certificate within this State to reimburse certain persons within a certain period of time after a claim is filed; providing for the payment of certain interest if an insurer fails to comply with this Act; providing for the amount of interest; providing for certain exceptions; and generally relating to the payment of health insurance claims.

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code  
Section 354Z, 470U, and 477AA  
Annotated Code of Maryland  
(1979 Replacement Volume and 1985 Supplement)

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

Article 48A - Insurance Code

354Z.

(a) Notwithstanding any provision of a group or individual policy or contract issued by a nonprofit health service plan, or any certificate issued thereunder, of health, sickness, accident, or disability insurance, delivered or issued for delivery within the State, whenever such policy, contract, or certificate provides for reimbursement for any service which is within the lawful scope of practice of a health care provider duly licensed under the Health Occupations Article, the insured, or any other person covered by, OR ENTITLED TO REIMBURSEMENT UNDER, the policy, contract, or certificate, shall be entitled to reimbursement for such service. The provisions of this section apply to all such policies, contracts, or certificates issued, renewed, modified, altered, amended, or reissued on or after July 1, 1984.

(B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, WHENEVER LIABILITY IS AND AMOUNT ARE REASONABLY CLEAR, A NONPROFIT HEALTH SERVICE PLAN SHALL REIMBURSE ANY PERSON ENTITLED TO REIMBURSEMENT UNDER SUBSECTION (A) OF THIS SECTION OR ANY HOSPITAL OR RELATED INSTITUTION DEFINED IN § 19-301 OF THE HEALTH - GENERAL ARTICLE ENTITLED TO REIMBURSEMENT WITHIN 30 DAYS OF THE PROPER FILING OF A CLAIM TOGETHER WITH ALL NECESSARY DOCUMENTATION.

(2) (I) IF A NONPROFIT HEALTH SERVICE PLAN FAILS TO COMPLY WITH PARAGRAPH (1) OF THIS SUBSECTION, THE NONPROFIT HEALTH SERVICE PLAN SHALL PAY INTEREST ON THAT AMOUNT OF THE CLAIM THAT REMAINS UNPAID 30 DAYS AFTER THE FILING OF THE CLAIM.

(II) THE INTEREST PAID UNDER THIS PARAGRAPH SHALL BE AT THE RATE OF 1 1/2 PERCENT PER MONTH.