

Article -- Insurance

15-118.

(a) (1) In this section the following words have the meanings indicated.

(2) "Health care service" means a health or medical care procedure or service rendered by a provider that:

(i) provides testing, diagnosis, or treatment of human disease or dysfunction; or

(ii) dispenses drugs, medical devices, medical appliances, or medical goods for the treatment of human disease or dysfunction.

(3) "Provider" means a physician, hospital, or other person that is licensed or otherwise authorized to provide health care services.

(b) This section applies to insurers and nonprofit health service plans that provide coverage for health care services to individuals or groups on an expense-incurred basis under health insurance policies or contracts that are issued or delivered in the State.

(c) If an entity subject to this section negotiates and enters into a contract with providers to render health care services to insureds at alternative rates of payment, and coinsurance payments are to be based on a percentage of the fee for health care services rendered by a provider, the entity shall calculate the amount of the coinsurance payment to be paid by the insured exclusively from the negotiated alternative rate for the health care service rendered.

(d) An entity subject to this section may not charge or collect from an insured a coinsurance payment amount that is greater than the amount calculated under subsection (c) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1997.

Approved May 22, 1997.

CHAPTER 713
(House Bill 1059)

AN ACT concerning

· Medical Assistance Program -- Fraud

FOR the purpose of establishing criminal penalties for Medicaid health plan fraud and false ~~statements~~ representations relating to Medicaid health plans; establishing a certain statute of limitations for Medicaid health plan fraud and false ~~statements~~ representations relating to Medicaid health plans under certain circumstances; defining certain terms; altering a certain definition; and generally relating to fraud and the Medical Assistance Program.