

Approved May 26, 1992.

CHAPTER 593

(House Bill 1147)

AN ACT concerning

Health Insurance – Preauthorization of Benefits

FOR the purpose of making it an unfair claims settlement practice for an insurer or health maintenance organization not to promptly or within a certain time provide a reasonable explanation of the basis for a denial of a preauthorization request or not to promptly or within a certain time approve or deny a preauthorization for health care services; making certain sections of this Act contingent on the taking effect of another Act; and generally relating to preauthorization for health care services.

BY repealing and reenacting, with amendments,
Article 48A – Insurance Code
Section 230A
Annotated Code of Maryland
(1991 Replacement Volume and 1991 Supplement)

BY repealing and reenacting, without amendments,
Article – Health – General
Section 19-706(g)
Annotated Code of Maryland
(1990 Replacement Volume and 1991 Supplement)

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

Article 48A – Insurance Code

230A.

(a) In this section “policy” means an individual or group policy, contract, or certificate issued by an insurer, including a nonprofit health service plan.

(b) (1) This section applies to any individual or group policy delivered or issued by any insurer, including any nonprofit health service plan authorized under the provisions of Subtitle 20 of this article, in this State or issued to a group which has a main office in this State or covering persons who reside or work within this State.

(2) This section does not apply to reinsurance, workers’ compensation, or surety.