# MAINE STATE LEGISLATURE

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## (New Draft of H.P. 262, L.D. 345) (New Title) FIRST REGULAR SESSION

# ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1553

H.P. 1143 House of Representatives, May 13, 1987
Reported by Representative RYDELL from the Committee on
Banking and Insurance and printed under Joint Rule 2.
EDWIN H. PERT, Clerk
Original bill sponsored by Representative PINES of
Limestone. Cosponsored by Representative BOTT of Orono.

#### STATE OF MAINE

# IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-SEVEN

1 2 3	AN ACT to Require Insurers to Report Utilization Review Data.
<u>4</u> 5	Be it enacted by the People of the State of Maine as follows:
6	Sec. 1. 24 MRSA §2302-A is enacted to read
7	§2302-A. Utilization review data
8 9	<ol> <li>Report required. On or before April 1st of each year, every nonprofit hospital or medical ser-</li> </ol>
LO	vice organization which issues or administers a pro-
1	gram or contract in this State that contains a provi-
. <b>2</b> . 3	sion whereby in nonemergency cases the insured is re-
.3	quired to be prospectively evaluated through a

1	prehospital admission certification, preinpatient
2	service eligibility program or any similar
3	preutilizationion review or screening procedure prior
3 4 5	to the delivery of contemplated hospitalization, in-
	patient or outpatient health care or medical services
6	which are prescribed or ordered by a duly licensed
7	physician shall file a report on the results of that
8 9	evaluation for the preceding year with the superin-
9	tendent which shall contain the following:
10	A. The number and type of evaluations performed.
11	(1) For the purposes of this section, the
12	term "type of evaluations" means the follow-
13	ing preutilization review categories:
14	Presurgical inpatient days; setting of medi-
15	cal service, such as inpatient or outpatient
16	services; and the number of days of service;
17	B. The result of the evaluation, such as whether
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	the medical necessity of the level of service
19	contemplated by the patient's physician was
20	agreed to or whether benefits paid for the ser-
21	vice were reduced by the organization;
22	C. The number and result of any appeals by pa-

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- tients or their physicians as a result of initial review decisions to reduce benefits for services as determined through prospective evaluations; and
- D. Any complaints filed in a court of competent jurisdiction and served upon an organization filing under this section stating a cause of action against the organization on the basis of damages to patients alleged to have been proximately caused by a delay, reduction or denial of medical benefits by the organization, as determined through prospective evaluations, and the determination of liability or other disposition complaint.
- 2. Maine residents. This section is applicable to evaluations, appeals and complaints relating to Maine residents only.

1	3. Confidentiality. Any information provided pursuant to this section shall not identify the names
2	pursuant to this section shall not identify the names
3	of patients.
4	Sec. 2. 24 MRSA §2341 is enacted to read:
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5	62241 Utilization rouiou data
5	§2341. Utilization review data
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6	<ol> <li>Report required. On or before April 1st of</li> </ol>
7	each year, a nonprofit service organization which is-
8	sues or administers a program or contract in this
9	State that contains a provision whereby in nonemergency cases the insured is required to be prospectively evaluated through a prehospital admis-
10	nonemergency cases the insured is required to be
11	prospectively evaluated through a prehospital admis-
12	sion certification, preinpatient service eligibility
13	sion certain action, preinpartent service engineery
_	program or any similar preutilization review or screening procedure prior to the delivery of contem-
14	screening procedure prior to the delivery of contem-
15	plated hospitalization, inpatient or outpatient
16	health care or medical services which are prescribed
17	or ordered by a duly licensed physician shall file a
18	report on the results of that evaluation for the pre-
19	report on the results of that evaluation for the preceding year with the superintendent which shall con-
20	tain the following:
20	tain the following.
21	n mba aumban and taura af aurilusticae manfaumad
21	A. The number and type of evaluations performed.
22	(1) For the purposes of this section, the
23	term "type of evaluations" means the follow-
24	ing preutilization review categories:
25	Presurgical inpatient days; setting of medi-
26	cal service, such as inpatient or outpatient
27	services; and the number of days of service;
41	services; and the number of days of service;
28	B. The result of the evaluation, such as whether
29	the medical necessity of the level of service
30	contemplated by the patient's physician was
31	agreed to or whether benefits paid for the ser-
32	vice were reduced by the organization;
	Ted were reduced by the organization,
33	C. The number and result of any appeals he man
	C. The number and result of any appeals by pa-
34	tients or their physicians as a result of initial
35	review decisions to reduce benefits for services

determined through prospective evaluations;

D. Any complaints filed in a court of competent jurisdiction and served upon an organization fil-

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and

1	ing under this section stating a cause of action
2	against that organization on the basis of damages
3	to patients alleged to have been proximately
4	caused by a delay, reduction or denial of medical
5	benefits by the organization, as determined
5	through prospective evaluations, and the determi-
7	nation of liability or other disposition of the
3	complaint.

- 2. Maine residents. This section is applicable to evaluations, appeals and complaints relating to Maine residents only.
- 12 3. Confidentiality. Any information provided 13 pursuant to this section shall not identify the names 14 of patients.
  - Sec. 3. 24-A MRSA §2679 is enacted to read:

## §2679. Utilization review data

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- Report required. On or before April 1st each year, an administrator or insurer who issues or administers a program, policy or contract in State that contains provision whereby a nonemergency cases the insured is required to prospectively evaluated through a prehospital admission certification, preinpatient service eligibility program or any similar preutilizationion review or screening procedure prior to the delivery of contemplated hospitalization, inpatient or outpatient health care or medical services which are prescribed or ordered by a duly licensed physician shall file a report on the results of that evaluation for the preceding year with the superintendent which shall tain the following:
  - A. The number and type of evaluations performed.
    - (1) For the purposes of this section, the term "type of evaluations" means the following preutilization review categories: presurgical inpatient days; setting of medical service, such as inpatient or outpatient services; and the number of days of service;

- B. The result of the evaluation, such as whether the medical necessity of the level of service contemplated by the patient's physician was agreed to or benefits paid for the service were reduced by the administrator or insurer;
  - C. The number and result of any appeals by patients or their physicians as a result of initial review decisions to reduce benefits for services as determined through prospective evaluations; and
    - D. Any complaints filed in a court of competent jurisdiction and served upon an administrator or insurer filing under this section stating a cause of action against the administrator or insurer on the basis of damages to patients alleged to have been proximately caused by a delay, reduction or denial of medical benefits by the administrator or insurer, as determined through pospective evaluations and the determination of liability or other disposition of the complaint.
- 21 <u>2. Maine residents. This section is applicable</u>
  22 <u>to evaluations, appeals and complaints relating to</u>
  23 <u>Maine residents only.</u>
  - 3. Confidentiality. Any information provided pursuant to this section shall not identify the names of patients.
    - Sec. 4. 24-A MRSA §2749 is enacted to read:
  - §2749. Utilization review data

1. Report required. On or before April 1st of each year, any insurer which issues a program or con-tract in this State providing coverage for hospital that contains a provision whereby care nonemergency cases the insured is required to be prospectively evaluated through a prehospital admis-sion certification, preinpatient service eligibility program or any similar preutilizationion review screening procedure prior to the delivery of contemplated hospitalization, inpatient or outpatient health care or medical services which are prescribed or ordered by a duly licensed physician shall file a

- report on the results of that evaluation for the preceding year with the superintendent which shall con-2 tain the following: 3 The number and type of evaluations performed. 4 5 For the purposes of this section, the term "type of evaluations" means the follow-ing preutilization review categories: 6 7 Presurgical inpatient days; setting of medi-8 q cal service, such as inpatient or outpatient 10 services; and the number of days of service; 11 The result of the evaluation, such as whether 12 the medical necessity of the level of service 13 contemplated by the patient's physician was agreed to or whether benefits paid for the ser-14 vice were reduced by the insurer; 15 16 The number and result of any appeals by patients or their physicians as a result of initial review decisions to reduce benefits for services 17 18 19 as determined through prospective evaluations; 20 and 21 D. Any complaints filed in a court of competent 22 jurisdiction and served upon an insurer filing under this section stating a cause of action 23 24 against that insurer on the basis of damages to 25 patients alleged to have been proximately caused by a delay, reduction or denial of medical bene-26 fits by the insurer, as determined through pro-27 spective evaluations, and the determination of liability or other disposition of the complaint. 28 29 30 Maine residents. This section is applicable 31 to evaluations, appeals and complaints relating 32 Maine residents only. 33 3. Confidentiality. Any information provided pursuant to this section shall not identify the names Any information provided 34 35 of patients.

Sec. 5. 24-A MRSA \$4228 is enacted to read:

§4228. Utilization review data

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1	1. Report required. On or before April 1st of
2	each year, each health maintenance organization which
3	issues a program of contract in this State that con-
4	tains a provision whereby in nonemergency cases the
5	insured is required to be prospectively evaluated
6	through a prehospital admission certification,
7	through a prehospital admission certification, preinpatient service eligibility program or any simi-
8	lar preutilization review or screening procedure pri-
9	or to the delivery of contemplated hospitalization,
10	inpatient or outpatient health care or medical ser-
11	vices which are prescribed or ordered by a duly li-
12	censed physician shall file a report on the results
13	of that evaluation for the preceding year with the
14	superintendent which shall contain the following:
15	A. The number and type of evaluations performed.
16	(1) For the purposes of this section, the
17	term "type of evaluations" means the follow-
18	ing preutilization review categories:
19	Presurgical inpatient days; setting of medi-
20	cal service, such as inpatient or outpatient
21	services; and the number of days of service;
22	B. The result of the evaluation, such as whether
23	the medical necessity of the level of service
24	contemplated by the patient's physician was
25	agreed to or whether benefits paid for the ser-
26	vice were reduced by the heatlh maintenance orga-
27	nization;
28	C. The number and result of any appeals by pa-
29	tients or their physicians as a result of initial
30	review decisions to reduce benefits for services
31	as determined through prospective evaluations;
32	and
33	D. Any complaints filed in a court of competent
34	jurisdiction and served upon a health maintenance
35	organization filing under this section stating a
36	cause of action against that organization on the
37	basis of damages to patients alleged to have been
38	proximately caused by a delay, reduction or deni-
39	al of medical benefits by the organization, as
40	determined through prospective evaluations, and
41	the determination of liability or other disposi-
42	tion of the complaint.

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to				appeals	and	complair	nts	relating	to
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Confidentiality. Any information provided pursuant to this section shall not identify the names of patients.

#### STATEMENT OF FACT

This new draft eliminates all provisions in the original bill which imposed liability on insurers for patient injuries which are the result of the utilization review process.

The purpose of this new draft is to require 13 mercial and nonprofit insurers, including preferred 14 provider organizations and health maintenance organizations, to report yearly to the Superintendent 16 Insurance the results of prospective utilization review programs. An increasing number of subscribers 17 in health plans that require prehospitalization 18 screening and other prospective utilization 19 20 Only if the results of these decisions by 21 insurers are reported to the Superintendent of Insur-22 ance will it be possible to determine in the future 23 whether those decisions are being made in a manner 24 consistent with the reasonable administration of 25 benefit program.