

# MAINE STATE LEGISLATURE

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R. of S.

L.D. 2195

(Filing No. S-562)

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STATE OF MAINE  
SENATE  
114TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 859, L.D. 2195, Bill, "An Act to Ensure the Proper Delivery of Insurance Benefits"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 22 MRSA §1829 is enacted to read:

§1829. Notice to medical utilization review entity

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Medical utilization review entity" means a person, corporation, organization or other entity that provides "medical utilization review services" as defined in Title 24-A, section 2773.

B. "Emergency treatment" means treatment of a case involving accidental bodily injury or the sudden and unexpected onset of a critical condition requiring medical or surgical care for which a person seeks immediate medical attention within 24 hours of the onset.

2. Notification requirement. If a hospital provides emergency treatment to a person who is insured or otherwise covered under a policy or contract that requires review of hospitalization by a medical utilization review entity, the hospital must notify the medical utilization review entity covering that person, unless the person is:

A. Released from the hospital no more than 48 hours after admission; or

B. Covered under an insurance policy or contract that is not subject to Title 24, section 2302-B, or to Title 24-A,

COMMITTEE AMENDMENT "A" to S.P. 859, L.D. 2195

section 2749-A or section 2848.

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The notification must include the name of the person admitted, the general medical nature of the admission and the telephone number of the admitting physician or other health care provider treating the person.

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3. Timing of notification. Notification must be made within 2 business days after the hospital determines the identity of the utilization review entity and receives written authorization to release the information by the patient or other person authorized to permit release of the information.

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4. Exemption. The hospital is exempt from this requirement if:

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A. The hospital receives a written confirmation from the admitting physician, the patient or a representative of the patient that the medical utilization review entity has been notified; or

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B. The hospital is not able to obtain written authorization to release the information, following a good faith effort by the hospital to obtain that authorization.

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5. Immunity from liability for notification. Neither the hospital nor any of its employees or representatives may be held liable for damages resulting from the notification required by this section.

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**Sec. 2. 24 MRSA §2302-B is enacted to read:**

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**§2302-B. Penalty for failure to notify of hospitalization**

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A contract issued by a nonprofit hospital or medical services organization may not include a provision permitting the organization to impose a penalty for the failure of any person to notify the organization of a covered person's hospitalization for emergency treatment. For purposes of this section, "emergency treatment" has the same meaning as defined in Title 22, section 1829.

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This section applies to contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after the effective date of this section. For purposes of this section, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.

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**Sec. 3. 24-A MRSA §2749-A is enacted to read:**

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**§2949-A. Penalty for failure to notify of hospitalization**

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An insurance policy may not include a provision permitting the insurer to impose a penalty for the failure of any person to notify the insurer of an insured person's hospitalization for emergency treatment. For purposes of this section, "emergency treatment" has the same meaning as defined in Title 22, section 1829.

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This section applies to policies and certificates executed, delivered, issued for delivery, continued or renewed in this State after the effective date of this section. For purposes of this section, all policies are deemed to be renewed no later than the next yearly anniversary of the contract date.

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Sec. 4. 24-A MRS §2848 is enacted to read:

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**§2848. Penalty for failure to notify of hospitalization**

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An insurance policy may not include a provision permitting the insurer to impose a penalty for the failure of any person to notify the insurer of an insured person's hospitalization for emergency treatment. For purposes of this section, "emergency treatment" has the same meaning as defined in Title 22, section 1829.

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This section applies to policies and certificates executed, delivered, issued for delivery, continued or renewed in this State after the effective date of this section. For purposes of this section, all policies are deemed to be renewed no later than the next yearly anniversary of the contract date.'

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**STATEMENT OF FACT**

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This amendment deletes the language of the bill limiting the penalty an insurer may impose for the failure of an insured person to notify a utilization review entity of hospitalization. The amendment prohibits insurers from imposing any penalty on insured persons for nonnotification of emergency admissions. The amendment requires hospitals to notify review entities of any emergency admissions, except for hospital stays of less than 48 hours. The hospital would be required to notify the review entity within 2 business days of receiving a signed release from the hospitalized person, or the representative of that person, enabling the hospital to release the information.

Reported by Senator Collins for the Committee on Banking and Insurance. Reproduced and Distributed Pursuant to Senate Rule 12.  
(3/7/90) (Filing No. S-562)