

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

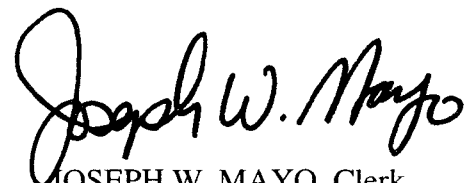
No. 155

H.P. 124

House of Representatives, January 11, 1999

An Act to Amend the Health Plan Improvement Act.

Reference to the Committee on Banking and Insurance suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative MAYO of Bath.
Cosponsored by Senator LaFOUNTAIN of York and
Representative McALEVEY of Waterboro.

Be it enacted by the People of the State of Maine as follows:

2
4 **Sec. 1. 24-A MRSA §4303, sub-§§3-B and 5** are enacted to read:

6 **3-B. Prohibition on financial incentives.** A carrier
8 offering a managed care plan in this State may not offer or pay
10 any type of material inducement, bonus or other financial
12 incentive to a participating provider to deny, reduce, withhold,
14 limit or delay specific medically necessary and appropriate
16 health care services covered under the plan to an enrollee.

18 **5. Independent external review of coverage decisions.** An
20 enrollee who has exhausted all internal grievance and appeal
22 procedures provided by a carrier offering a health plan in this
24 State has the right to an independent external review of a health
26 plan's decision to deny, reduce or terminate health care coverage
28 or to deny payment for health care services. The independent
30 external review is subject to the following requirements.

32 A. The decision to be reviewed relates to a health care
34 service that costs at least \$100.

36 B. The health plan's decision is based on one of the
38 following reasons:

40 (1) The health care service is a covered benefit that
42 the carrier has determined to be not medically
44 necessary;

46 (2) A limitation is placed on the selection of a
48 health care provider that is claimed by the enrollee to
50 be inconsistent with limits imposed by the health plan
52 and any applicable laws and rules;

54 (3) The health care treatment has been determined to
56 be experimental or investigational; or

58 (4) The health care service involves a medically based
60 decision that a condition is preexisting.

62 C. The independent external review must be requested in
64 writing by the affected enrollee and the enrollee pays a
66 filing fee of not more than \$50 that reflects the
68 administrative costs of processing a request for review
70 under this subsection. The filing fee may be waived or
72 reduced based on a determination by the superintendent that
74 the financial circumstances of the enrollee warrant a waiver
76 or reduction.

2 D. The enrollee may use outside assistance during the
3 review process and submit evidence relating to the health
4 care service.

5 E. An independent external review must be conducted by an
6 independent review organization pursuant to a contract with
7 the bureau. The reviewers must be health care providers
8 credentialed with respect to the health care service under
9 review and have no conflict of interest relating to the
10 performance of their duties under this subsection.

11 F. The independent review organization shall issue a
12 written decision based on the evidence presented to the
13 health plan and the enrollee. The decision of the review
14 organization is binding on the health plan and the enrollee.

15 G. The superintendent may develop additional standards and
16 adopt rules to set the fee required in paragraph C and to
17 adopt other rules as necessary to carry out the purposes of
18 this subsection in accordance with section 4309.
19

22 SUMMARY

23
24 This bill amends the Health Plan Improvement Act to prohibit
25 carriers offering managed care plans from paying financial
26 incentives to participating providers to deny, reduce or limit
27 medically necessary health care services to enrollees. The bill
28 also gives health plan enrollees the right to an independent
29 external review of a plan's coverage decision after all internal
30 grievance and appeals procedures have been exhausted.