

SENATE BILL 98

C3

8lr1290
CF HB 69

By: **Senators Pugh, Conway, Della, Exum, Jones, Kelley, Lenett, Madaleno, McFadden, and Raskin**

Introduced and read first time: January 16, 2008

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Prosthetic Parity Act**

3 FOR the purpose of requiring certain insurers, nonprofit health service plans, and
4 health maintenance organizations to provide certain coverage and payment for
5 prosthetic devices under certain circumstances; authorizing certain insurers,
6 nonprofit health service plans, and health maintenance organizations to require
7 prior authorization for coverage of a prosthetic device under certain
8 circumstances; providing that certain covered benefits may be subject to a
9 certain copayment or coinsurance amount; prohibiting certain insurers,
10 nonprofit health service plans, and health maintenance organizations from
11 imposing a certain dollar maximum on coverage for prosthetic devices; repealing
12 a certain requirement for certain health insurance contracts that is rendered
13 inconsistent by this Act; defining certain terms; providing for the application of
14 this Act; and generally relating to health insurance coverage and payment for
15 prosthetic devices.

16 BY repealing and reenacting, with amendments,
17 Article – Insurance
18 Section 15–820
19 Annotated Code of Maryland
20 (2006 Replacement Volume and 2007 Supplement)

21 BY adding to
22 Article – Insurance
23 Section 15–843
24 Annotated Code of Maryland
25 (2006 Replacement Volume and 2007 Supplement)

26 BY adding to
27 Article – Health – General

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 19-706(ppp)
2 Annotated Code of Maryland
3 (2005 Replacement Volume and 2007 Supplement)

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

6 **Article – Insurance**

7 15-820.

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

9 (2) “Orthopedic], “**ORTHOPEDIC** brace” means a rigid or semi-rigid
10 device that is used to:

11 [(i)] **(1)** support a weak or deformed body member; or

12 [(ii)] **(2)** restrict or eliminate motion in a diseased or injured
13 part of the body.

14 [(3) “Prosthetic device” means an artificial limb.]

15 (b) Each health insurance contract that is delivered or issued for delivery in
16 the State by a nonprofit health service plan and that provides hospital benefits shall
17 provide benefits for [prosthetic devices and] orthopedic braces.

18 **15-843.**

19 **(A) IN THIS SECTION, “PROSTHETIC DEVICE” MEANS AN ARTIFICIAL**
20 **DEVICE TO REPLACE, IN WHOLE OR IN PART, A LEG, AN ARM, OR AN EYE.**

21 **(B) THIS SECTION APPLIES TO:**

22 **(1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT**
23 **PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR**
24 **GROUPS ON AN EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE**
25 **POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND**

26 **(2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE**
27 **HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS**
28 **UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.**

29 **(C) AN ENTITY SUBJECT TO THIS SECTION SHALL:**

1 (1) PROVIDE COVERAGE AND PAYMENT, FOR PROSTHETIC
2 DEVICES, THAT ARE AT LEAST EQUIVALENT TO THE COVERAGE AND PAYMENT
3 FOR PROSTHETIC DEVICES PROVIDED UNDER FEDERAL LAWS AND
4 REGULATIONS FOR THE AGED AND DISABLED UNDER 42 U.S.C. §§ 1395K,
5 1395L, AND 1395M AND 42 C.F.R. 410.100, 414.202, 414.210, AND 414.228;

6 (2) PROVIDE COVERAGE FOR THE PROSTHETIC DEVICE
7 DETERMINED BY THE HEALTH CARE PROVIDER OF THE INSURED OR ENROLLEE
8 TO BE THE MOST APPROPRIATE MODEL THAT ADEQUATELY MEETS THE
9 MEDICAL NEEDS OF THE INSURED OR ENROLLEE; AND

10 (3) PROVIDE COVERAGE FOR REPAIR OR REPLACEMENT OF A
11 PROSTHETIC DEVICE, IF REQUIRED BECAUSE OF A CHANGE IN THE PHYSICAL
12 CONDITION OF THE INSURED OR ENROLLEE, AS DETERMINED NECESSARY BY
13 THE HEALTH CARE PROVIDER OF THE INSURED OR ENROLLEE.

14 (D) AN ENTITY SUBJECT TO THIS SECTION MAY REQUIRE PRIOR
15 AUTHORIZATION FOR COVERAGE OF A PROSTHETIC DEVICE IN THE SAME
16 MANNER THAT PRIOR AUTHORIZATION IS REQUIRED FOR ANY OTHER COVERED
17 BENEFIT.

18 (E) THE COVERED BENEFITS REQUIRED UNDER THIS SECTION MAY BE
19 SUBJECT TO A COPAYMENT OR COINSURANCE AMOUNT, NOT TO EXCEED THE
20 COPAYMENT OR COINSURANCE AMOUNT REQUIRED UNDER THE MEDICARE
21 PART B FEE-FOR-SERVICE PROGRAM.

22 (F) AN ENTITY SUBJECT TO THIS SECTION MAY NOT IMPOSE AN ANNUAL
23 OR LIFETIME DOLLAR MAXIMUM, ON COVERAGE FOR PROSTHETIC DEVICES,
24 SEPARATE FROM ANY ANNUAL OR LIFETIME DOLLAR MAXIMUM THAT APPLIES
25 IN THE AGGREGATE TO ALL COVERED BENEFITS UNDER THE POLICY OR
26 CONTRACT OF THE INSURED OR ENROLLEE.

27 **Article - Health - General**

28 19-706.

29 (PPP) THE PROVISIONS OF § 15-843 OF THE INSURANCE ARTICLE APPLY
30 TO HEALTH MAINTENANCE ORGANIZATIONS.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to
32 all policies, contracts, and health benefit plans issued, delivered, or renewed in the
33 State on or after October 1, 2008.

34 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 2008.

