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BULLETIN 08-22

Date: September 12, 2008

To: Insurers, Nonprofit Health Service Plans and Health Maintenance Organizations Providing Coverage in the Maryland Non-Group Health Market

Re: Required Notice to Maryland Health Insurance Plan of Individuals Denied Coverage

The purpose of this bulletin is to notify insurers, nonprofit health service plans and health maintenance organizations ("carriers") participating in the non-group health market in Maryland of a new notice requirement. If a carrier denies coverage to an individual under a medically underwritten health benefit plan in the non-group market, the carrier is required to provide certain information to the Maryland Health Insurance Plan.

The notice requirement was enacted by Chapter 242 of the Acts of the General Assembly of 2006 (Senate Bill 284), and is codified as §15-1303(c)(1)(ii) of the Insurance Article. The enactment made the notice requirement contingent on the receipt of an exception determination from the Secretary of Health and Human Services pursuant to §§ 160.203 and 160.204 of the Health Insurance Portability and Accountability Act (HIPAA) that would allow carriers to provide the information specified in the notice requirement. A letter has now been received from the Department of Health and Human Services stating that an exception is not necessary because the notice requirement is not preempted by the HIPAA privacy regulations, and that the HIPAA privacy regulations allow carriers to provide the information specified in the notice requirement to the Maryland Health Insurance Plan.

Effective immediately, when a carrier denies coverage under a medically underwritten health benefit plan to an individual in the non-group market, the carrier shall provide the Maryland Health Insurance Plan with:

- The name and address of the individual who was denied coverage; and
- If the individual applied for coverage through an insurance producer, the name and, if available, the address of the insurance producer.

Carriers should send the specified information to:

Maryland Health Insurance Plan
201 E. Baltimore Street, Suite 630
Baltimore, MD 21202-1518
Attention: Compliance Officer

Any questions regarding this bulletin should be directed to Geoff Cabin, Compliance Officer, Maryland Health Insurance Plan at 410-576-5681 or gcabin@mhip-spdap.com.

Brenda A. Wilson
Associate Commissioner
Life and Health