

HOUSE BILL 594

C3

8lr2674
CF SB 595

By: ~~Delegate Donoghue~~ Delegates Donoghue, Benson, Bromwell, Costa, Elliott, Hammen, Hubbard, Kach, Kipke, Kullen, McDonough, Mizeur, Montgomery, Morhaim, Oaks, Pena-Melnyk, Pendergrass, Reznik, Riley, Tarrant, V. Turner, and Weldon

Introduced and read first time: January 31, 2008

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 16, 2008

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Carrier Credentialing – Reimbursement of Providers of**
3 **Health Care Services**

4 FOR the purpose of requiring certain carriers to reimburse ~~providers~~ a certain group
5 practice at a certain rate during a certain time period for certain health care
6 services provided to enrollees on or after a certain date by a certain provider
7 under certain circumstances; requiring a carrier to reimburse a provider as a
8 nonparticipating provider under certain circumstances; prohibiting a health
9 maintenance organization from denying payment to a provider under certain
10 circumstances; prohibiting a certain provider from holding an enrollee of a
11 carrier liable for a certain cost with certain exceptions; authorizing a carrier to
12 require a group practice to disclose certain information to an enrollee; defining
13 certain terms; and generally relating to credentialing and reimbursement of
14 providers of health care services.

15 BY repealing and reenacting, with amendments,
16 Article – Insurance
17 Section ~~15-112(d)~~ 15-112(a)
18 Annotated Code of Maryland
19 (2006 Replacement Volume and 2007 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article – Insurance

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 15-112(d)
 2 Annotated Code of Maryland
 3 (2006 Replacement Volume and 2007 Supplement)

4 BY adding to
 5 Article – Insurance
 6 Section 15-112(q)
 7 Annotated Code of Maryland
 8 (2006 Replacement Volume and 2007 Supplement)

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

11 **Article – Insurance**

12 15-112.

13 (a) (1) In this section the following words have the meanings indicated.

14 (2) “ACCREDITED HOSPITAL” HAS THE MEANING STATED IN §
 15 19-301 OF THE HEALTH – GENERAL ARTICLE.

16 [(2)] (3) “Ambulatory surgical facility” has the meaning stated in §
 17 19-3B-01 of the Health – General Article.

18 [(3)] (4) (i) “Carrier” means:

19 1. an insurer;

20 2. a nonprofit health service plan;

21 3. a health maintenance organization;

22 4. a dental plan organization; or

23 5. any other person that provides health benefit plans
 24 subject to regulation by the State.

25 (ii) “Carrier” includes an entity that arranges a provider panel
 26 for a carrier.

27 [(4)] (5) “Credentialing intermediary” means a person to whom a
 28 carrier has delegated credentialing or recredentialing authority and responsibility.

29 [(5)] (6) “Enrollee” means a person entitled to health care benefits
 30 from a carrier.

1 ~~[(6)] (7)~~ “Hospital” has the meaning stated in § 19–301 of the Health
2 – General Article.

3 **(8) “PARTICIPATING PROVIDER” MEANS A PROVIDER ON A**
4 **CARRIER’S PROVIDER PANEL.**

5 ~~[(7)] (9)~~ “Provider” means a health care practitioner or group of
6 health care practitioners licensed, certified, or otherwise authorized by law to provide
7 health care services.

8 ~~[(8)] (10)~~ (i) “Provider panel” means the providers that contract
9 either directly or through a subcontracting entity with a carrier to provide health care
10 services to the carrier’s enrollees under the carrier’s health benefit plan.

11 (ii) “Provider panel” does not include an arrangement in which
12 any provider may participate solely by contracting with the carrier to provide health
13 care services at a discounted fee–for–service rate.

14 (d) (1) A provider that seeks to participate on a provider panel of a carrier
15 shall submit an application to the carrier.

16 (2) (i) Subject to paragraph (3) of this subsection, the carrier, after
17 reviewing the application, shall accept or reject the provider for participation on the
18 carrier’s provider panel.

19 (ii) If the carrier rejects the provider for participation on the
20 carrier’s provider panel, the carrier shall send to the provider at the address listed in
21 the application written notice of the rejection.

22 (3) (i) Except as provided in paragraph (4) of this subsection,
23 within 30 days after the date a carrier receives a completed application, the carrier
24 shall send to the provider at the address listed in the application written notice of:

25 1. the carrier’s intent to continue to process the
26 provider’s application to obtain necessary credentialing information; or

27 2. the carrier’s rejection of the provider for participation
28 on the carrier’s provider panel.

29 (ii) The failure of a carrier to provide the notice required under
30 subparagraph (i) of this paragraph is a violation of this article and the carrier is
31 subject to the penalties provided by § 4–113(d) of this article.

32 (iii) Except as provided in subsection (p) of this section, if, under
33 subparagraph (i)1 of this paragraph, a carrier provides notice to the provider of its
34 intent to continue to process the provider’s application to obtain necessary

1 credentialing information, the carrier, within 120 days after the date the notice is
2 provided, shall:

3 1. accept or reject the provider for participation on the
4 carrier's provider panel; and

5 2. send written notice of the acceptance or rejection to
6 the provider at the address listed in the application.

7 (iv) The failure of a carrier to provide the notice required under
8 subparagraph (iii)2 of this paragraph is a violation of this article and the carrier is
9 subject to the provisions of and penalties provided by §§ 4-113 and 4-114 of this
10 article.

11 (4) (i) A carrier that receives an incomplete application shall
12 return the application to the provider at the address listed in the application within 10
13 days after the date the application is received.

14 (ii) The carrier shall indicate to the provider what information
15 is needed to make the application complete.

16 (iii) The provider may return the completed application to the
17 carrier.

18 (iv) After the carrier receives the completed application, the
19 carrier is subject to the time periods established in paragraph (3) of this subsection.

20 (5) A carrier may charge a reasonable fee for an application submitted
21 to the carrier under this section.

22 ~~(6) IF A CARRIER ACCEPTS A PROVIDER FOR PARTICIPATION ON~~
23 ~~THE CARRIER'S PROVIDER PANEL, THE CARRIER SHALL REIMBURSE THE~~
24 ~~PROVIDER FOR ANY COVERED HEALTH CARE SERVICES THAT THE PROVIDER~~
25 ~~PROVIDES TO ENROLLEES OF THE CARRIER ON OR AFTER THE DATE THAT THE~~
26 ~~PROVIDER'S COMPLETED APPLICATION WAS SUBMITTED TO THE CARRIER.~~

27 (Q) (1) NOTWITHSTANDING SUBSECTION (O)(1) OF THIS SECTION, A
28 CARRIER SHALL REIMBURSE A GROUP PRACTICE ON THE CARRIER'S PROVIDER
29 PANEL AT THE PARTICIPATING PROVIDER RATE FOR COVERED SERVICES
30 PROVIDED BY A PROVIDER WHO IS NOT A PARTICIPATING PROVIDER IF:

31 (I) THE PROVIDER IS EMPLOYED BY OR A MEMBER OF THE
32 GROUP PRACTICE;

33 (II) THE PROVIDER HAS APPLIED FOR ACCEPTANCE ON THE
34 CARRIER'S PROVIDER PANEL AND THE CARRIER HAS NOTIFIED THE PROVIDER

1 OF THE CARRIER'S INTENT TO CONTINUE TO PROCESS THE PROVIDER'S
2 APPLICATION TO OBTAIN NECESSARY CREDENTIALING INFORMATION;

3 (III) THE PROVIDER HAS A VALID LICENSE ISSUED BY A
4 HEALTH OCCUPATIONS BOARD TO PRACTICE IN THE STATE; AND

5 (IV) THE PROVIDER:

6 1. IS CURRENTLY CREDENTIALLED BY AN
7 ACCREDITED HOSPITAL IN THE STATE; OR

8 2. HAS PROFESSIONAL LIABILITY INSURANCE.

9 (2) A CARRIER SHALL REIMBURSE A GROUP PRACTICE ON THE
10 CARRIER'S PROVIDER PANEL IN ACCORDANCE WITH PARAGRAPH (1) OF THIS
11 SUBSECTION FROM THE DATE THE NOTICE REQUIRED UNDER SUBSECTION
12 (D)(3)(I)1 OF THIS SECTION IS SENT TO THE PROVIDER UNTIL THE DATE THE
13 NOTICE REQUIRED UNDER SUBSECTION (D)(3)(III)2 OF THIS SECTION IS SENT
14 TO THE PROVIDER.

15 (3) A CARRIER THAT SENDS WRITTEN NOTICE OF REJECTION OF A
16 PROVIDER FOR CREDENTIALING UNDER SUBSECTION (D)(3)(III)2 OF THIS
17 SECTION SHALL REIMBURSE THE PROVIDER AS A NONPARTICIPATING
18 PROVIDER FOR SERVICES PROVIDED ON OR AFTER THE DATE THE NOTICE IS
19 SENT.

20 (4) A HEALTH MAINTENANCE ORGANIZATION MAY NOT DENY
21 PAYMENT TO A PROVIDER UNDER THIS SUBSECTION SOLELY BECAUSE THE
22 PROVIDER WAS NOT A PARTICIPATING PROVIDER AT THE TIME THE SERVICES
23 WERE PROVIDED TO AN ENROLLEE.

24 (5) A PROVIDER WHO IS NOT A PARTICIPATING PROVIDER OF A
25 CARRIER AND WHOSE GROUP PRACTICE IS ELIGIBLE FOR REIMBURSEMENT
26 UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT HOLD AN ENROLLEE OF
27 THE CARRIER LIABLE FOR THE COST OF ANY COVERED SERVICES PROVIDED TO
28 THE ENROLLEE DURING THE TIME PERIOD DESCRIBED IN PARAGRAPH (2) OF
29 THIS SUBSECTION, EXCEPT FOR ANY DEDUCTIBLE, COPAYMENT, OR
30 COINSURANCE AMOUNT OWED BY THE ENROLLEE TO THE GROUP PRACTICE OR
31 PROVIDER UNDER THE TERMS OF THE ENROLLEE'S CONTRACT OR
32 CERTIFICATE.

33 (6) A CARRIER MAY REQUIRE A GROUP PRACTICE TO DISCLOSE
34 TO AN ENROLLEE AT THE TIME SERVICES ARE PROVIDED THAT:

1 (I) THE TREATING PROVIDER IS NOT A PARTICIPATING
2 PROVIDER;

3 (II) THE TREATING PROVIDER HAS APPLIED TO BECOME A
4 PARTICIPATING PROVIDER; AND

5 (III) ANY COVERED SERVICES RECEIVED MUST BE
6 REIMBURSED BY THE CARRIER AT THE PARTICIPATING PROVIDER RATE.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.