

Department of Legislative Services  
Maryland General Assembly  
2007 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 947 (Delegate Kach, *et al.*)  
Health and Government Operations

Finance

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Health Insurance - Health Care Providers - Reimbursement and Charges

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This bill prohibits a “carrier” from requiring a provider in a group practice or facility that participates under a contract on the carrier’s provider panel to accept the reimbursement fee schedule applicable under the contract when: (1) providing services to enrollees of the carrier through a noncontracting practice or facility; or (2) billing for services provided to enrollees of the carrier with a different federal tax identification number. Nonparticipating providers must notify an enrollee that the provider does not participate on the provider panel of the enrollee’s carrier and the total anticipated charges for the health care services.

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Fiscal Summary

**State Effect:** The bill would not materially affect State operations or finances.

**Local Effect:** None.

**Small Business Effect:** Minimal to none.

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Analysis

**Current Law:** Carriers are prohibited from reimbursing health care practitioners less than the sum or rate negotiated in the carrier’s provider contract with the health care practitioner. Carriers may provide certain bonuses or other incentive-based compensation.

At the time of contract execution, 30 days prior to a change, and upon request of the health care practitioner, a carrier must provide a health care practitioner with a written

copy of (1) a schedule of applicable fees for up to the 20 most common services billed in the practitioner's specialty; (2) a description of the coding guidelines used by the carrier in that specialty; and (3) information about the practitioner and the methodology that the carrier uses to determine whether to increase or reduce the practitioner's level of reimbursement and provide a bonus or other incentive-based compensation to the practitioner.

**Background:** This bill is intended to address the situation where a provider helps out in a clinic on an occasional or part-time basis, separate from the provider's regular practice, and an insurance carrier reimburses the provider according to the fee schedule of the provider's regular practice, although the provider has not agreed to the fee schedule when practicing at the clinic, and although the patients understand the clinic is not part of the carrier's provider panel.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 601 (Senator Kittleman) – Finance.

**Information Source(s):** Department of Health and Mental Hygiene, CareFirst Blue Cross/Blue Shield, Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 26, 2007  
ncs/jr Revised - Other - February 26, 2007  
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