

HOUSE BILL 437

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CF SB 416

By: **Delegates Pena–Melnik, Bromwell, Costa, Cullison, Donoghue, Elliott, Hubbard, Kach, A. Kelly, Morhaim, Murphy, Oaks, Reznik, Tarrant, and V. Turner**

Introduced and read first time: January 27, 2014
Assigned to: Health and Government Operations

Committee Report: Favorable
House action: Adopted
Read second time: March 5, 2014

CHAPTER _____

1 AN ACT concerning

2 **Health Maintenance Organizations – Payments to Nonparticipating**
3 **Providers – Repeal of Termination Date**

4 FOR the purpose of repealing the termination date of certain provisions of law
5 requiring health maintenance organizations to pay certain providers for certain
6 services at certain rates; and generally relating to payments by health
7 maintenance organizations to nonparticipating providers.

8 BY repealing and reenacting, without amendments,
9 Article – Health – General
10 Section 19–710.1
11 Annotated Code of Maryland
12 (2009 Replacement Volume and 2013 Supplement)

13 BY repealing and reenacting, with amendments,
14 Chapter 664 of the Acts of the General Assembly of 2009
15 Section 2

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

18 **Article – Health – General**

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 19–710.1.

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

3 (2) “Adjunct claims documentation” means an abstract of an enrollee’s
4 medical record which describes and summarizes the diagnosis and treatment of, and
5 services rendered to, the enrollee, including, in the case of trauma rendered in a
6 trauma center, an operative report, a discharge summary, a Maryland Ambulance
7 Information Systems form, or a medical record.

8 (3) “Berenson–Eggers Type of Service Code” means a code in a
9 classification system developed by the Centers for Medicare and Medicaid Services
10 that groups Current Procedural Terminology codes together based on clinical
11 consistency.

12 (4) “Enrollee” means a subscriber or member of a health maintenance
13 organization.

14 (5) “Evaluation and management service” means any service with a
15 Berenson–Eggers Type of Service Code in the category of evaluation and management.

16 (6) “Institute” means the Maryland Institute for Emergency Medical
17 Services Systems.

18 (7) “Medicare Economic Index” means the fixed–weight input price
19 index that:

20 (i) Measures the weighted average annual price change for
21 various inputs needed to produce physician services; and

22 (ii) Is used by the Centers for Medicare and Medicaid Services
23 in the calculation of reimbursement of physician services under Title XVIII of the
24 federal Social Security Act.

25 (8) “Similarly licensed provider” means:

26 (i) For a physician:

27 1. A physician who is board certified or eligible in the
28 same practice specialty; or

29 2. A group physician practice that contains board
30 certified or eligible physicians in the same practice specialty;

31 (ii) For a health care provider that is not a physician, a health
32 care provider that holds the same type of license.

1 (9) (i) “Trauma center” means a primary adult resource center,
2 level I trauma center, level II trauma center, level III trauma center, or pediatric
3 trauma center that has been designated by the institute to provide care to trauma
4 patients.

5 (ii) “Trauma center” includes an out-of-state pediatric facility
6 that has entered into an agreement with the institute to provide care to trauma
7 patients.

8 (10) “Trauma patient” means a patient that is evaluated or treated in a
9 trauma center and is entered into the State trauma registry as a trauma patient.

10 (11) “Trauma physician” means a licensed physician who has been
11 credentialed or designated by a trauma center to provide care to a trauma patient at a
12 trauma center.

13 (b) In addition to any other provisions of this subtitle, for a covered service
14 rendered to an enrollee of a health maintenance organization by a health care provider
15 not under written contract with the health maintenance organization, the health
16 maintenance organization or its agent:

17 (1) Shall pay the health care provider within 30 days after the receipt
18 of a claim in accordance with the applicable provisions of this subtitle; and

19 (2) Shall pay the claim submitted by:

20 (i) A hospital at the rate approved by the Health Services Cost
21 Review Commission;

22 (ii) A trauma physician for trauma care rendered to a trauma
23 patient in a trauma center, at the greater of:

24 1. 140% of the rate paid by the Medicare program, as
25 published by the Centers for Medicare and Medicaid Services, for the same covered
26 service, to a similarly licensed provider; or

27 2. The rate as of January 1, 2001 that the health
28 maintenance organization paid in the same geographic area, as published by the
29 Centers for Medicare and Medicaid Services, for the same covered service, to a
30 similarly licensed provider; and

31 (iii) Any other health care provider:

32 1. For an evaluation and management service, no less
33 than the greater of:

1 A. 125% of the average rate the health maintenance
2 organization paid as of January 1 of the previous calendar year in the same geographic
3 area, as defined by the Centers for Medicare and Medicaid Services, for the same
4 covered service, to similarly licensed providers under written contract with the health
5 maintenance organization; or

6 B. 140% of the rate paid by Medicare, as published by
7 the Centers for Medicare and Medicaid Services, for the same covered service to a
8 similarly licensed provider in the same geographic area as of August 1, 2008, inflated
9 by the change in the Medicare Economic Index from 2008 to the current year; and

10 2. For a service that is not an evaluation and
11 management service, no less than 125% of the average rate the health maintenance
12 organization paid as of January 1 of the previous calendar year in the same geographic
13 area, as defined by the Centers for Medicare and Medicaid Services, to a similarly
14 licensed provider under written contract with the health maintenance organization for
15 the same covered service.

16 (c) For the purposes of subsection (b)(2)(iii) of this section, a health
17 maintenance organization shall calculate the average rate paid to similarly licensed
18 providers under written contract with the health maintenance organization for the
19 same covered service by summing the contracted rate for all occurrences of the
20 Current Procedural Terminology Code for that service and then dividing by the total
21 number of occurrences of the Current Procedural Terminology Code.

22 (d) A health maintenance organization shall disclose, on request of a health
23 care provider not under written contract with the health maintenance organization,
24 the reimbursement rate required under subsection (b)(2)(ii) and (iii) of this section.

25 (e) (1) Subject to paragraph (2) of this subsection, a health maintenance
26 organization may require a trauma physician not under contract with the health
27 maintenance organization to submit appropriate adjunct claims documentation and to
28 include on the uniform claim form a provider number assigned to the trauma
29 physician by the health maintenance organization.

30 (2) If a health maintenance organization requires a trauma physician
31 to include a provider number on the uniform claim form in accordance with paragraph
32 (1) of this subsection, the health maintenance organization shall assign a provider
33 number to a trauma physician not under contract with the health maintenance
34 organization at the request of the physician.

35 (3) A trauma center, on request from a health maintenance
36 organization, shall verify that a licensed physician is credentialed or otherwise
37 designated by the trauma center to provide trauma care.

38 (4) Notwithstanding the provisions of § 19–701(d) of this subtitle, for
39 trauma care rendered to a trauma patient in a trauma center by a trauma physician, a

1 health maintenance organization may not require a referral or preauthorization for a
2 service to be covered.

3 (f) (1) A health maintenance organization may seek reimbursement from
4 an enrollee for any payment under subsection (b) of this section for a claim or portion
5 of a claim submitted by a health care provider and paid by the health maintenance
6 organization that the health maintenance organization determines is the
7 responsibility of the enrollee.

8 (2) The health maintenance organization may request and the health
9 care provider shall provide adjunct claims documentation to assist in making the
10 determination under paragraph (1) of this subsection or under subsection (b) of this
11 section.

12 (g) (1) A health care provider may enforce the provisions of this section by
13 filing a complaint against a health maintenance organization with the Maryland
14 Insurance Administration or by filing a civil action in a court of competent jurisdiction
15 under § 1-501 or § 4-201 of the Courts Article.

16 (2) The Maryland Insurance Administration or a court shall award
17 reasonable attorney fees if the complaint of the health care provider is sustained.

18 (h) The Maryland Health Care Commission annually shall review payments
19 to health care providers to determine the compliance of health maintenance
20 organizations with the requirements of this section and report its findings to the
21 Maryland Insurance Administration.

22 (i) The Maryland Insurance Administration may take any action authorized
23 under this subtitle or the Insurance Article, including conducting an examination
24 under Title 2, Subtitle 2 of the Insurance Article, to investigate and enforce a violation
25 of the provisions of this section.

26 (j) In addition to any other penalties under this subtitle, the Commissioner
27 may impose a penalty not to exceed \$5,000 on any health maintenance organization
28 which violates the provisions of this section if the violation is committed with such
29 frequency as to indicate a general business practice of the health maintenance
30 organization.

31 (k) The Maryland Insurance Administration, in consultation with the
32 Maryland Health Care Commission, shall adopt regulations to implement this section.

33 Chapter 664 of the Acts of 2009

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 January 1, 2010. [It shall remain in effect for a period of 5 years and, at the end of
36 December 31, 2014, with no further action required by the General Assembly, this Act
37 shall be abrogated and of no further force and effect.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2014.