

# HOUSE BILL 437

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CF SB 416

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By: **Delegates Pena–Melnyk, 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

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## A BILL ENTITLED

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**

19 19–710.1.

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

21 (2) “Adjunct claims documentation” means an abstract of an enrollee’s  
22 medical record which describes and summarizes the diagnosis and treatment of, and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 services rendered to, the enrollee, including, in the case of trauma rendered in a  
2 trauma center, an operative report, a discharge summary, a Maryland Ambulance  
3 Information Systems form, or a medical record.

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

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

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

12 (6) “Institute” means the Maryland Institute for Emergency Medical  
13 Services Systems.

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

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

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

21 (8) “Similarly licensed provider” means:

22 (i) For a physician:

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

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

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

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

1 (ii) "Trauma center" includes an out-of-state pediatric facility  
2 that has entered into an agreement with the institute to provide care to trauma  
3 patients.

4 (10) "Trauma patient" means a patient that is evaluated or treated in a  
5 trauma center and is entered into the State trauma registry as a trauma patient.

6 (11) "Trauma physician" means a licensed physician who has been  
7 credentialed or designated by a trauma center to provide care to a trauma patient at a  
8 trauma center.

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

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

15 (2) Shall pay the claim submitted by:

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

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

20 1. 140% of the rate paid by the Medicare program, as  
21 published by the Centers for Medicare and Medicaid Services, for the same covered  
22 service, to a similarly licensed provider; or

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

27 (iii) Any other health care provider:

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

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

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

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

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

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

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

25                   (2)    If a health maintenance organization requires a trauma physician  
26 to include a provider number on the uniform claim form in accordance with paragraph  
27 (1) of this subsection, the health maintenance organization shall assign a provider  
28 number to a trauma physician not under contract with the health maintenance  
29 organization at the request of the physician.

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

33                   (4)    Notwithstanding the provisions of § 19–701(d) of this subtitle, for  
34 trauma care rendered to a trauma patient in a trauma center by a trauma physician, a  
35 health maintenance organization may not require a referral or preauthorization for a  
36 service to be covered.

37           (f)     (1)    A health maintenance organization may seek reimbursement from  
38 an enrollee for any payment under subsection (b) of this section for a claim or portion  
39 of a claim submitted by a health care provider and paid by the health maintenance

1 organization that the health maintenance organization determines is the  
2 responsibility of the enrollee.

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

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

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

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

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

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

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

## 28 Chapter 664 of the Acts of 2009

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

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