

SENATE BILL 884

C3

4lr2383
CF HB 1127

By: **Senators Pugh, Feldman, Klausmeier, and Mathias**

Introduced and read first time: January 31, 2014

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2014

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Incentives for Health Care Practitioners**

3 FOR the purpose of altering the circumstances under which a health insurance carrier
4 is not prohibited from providing bonuses or other incentive–based compensation
5 to a health care practitioner or a set of health care practitioners; defining a
6 certain term; and generally relating to incentives for health care practitioners
7 under health insurance.

8 BY repealing and reenacting, without amendments,
9 Article – Insurance
10 Section 15–113(a) and (b)
11 Annotated Code of Maryland
12 (2011 Replacement Volume and 2013 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Insurance
15 Section 15–113(c)
16 Annotated Code of Maryland
17 (2011 Replacement Volume and 2013 Supplement)

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

20 **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 15–113.

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

3 (2) “Carrier” means:

4 (i) an insurer;

5 (ii) a nonprofit health service plan;

6 (iii) a health maintenance organization;

7 (iv) a dental plan organization; or

8 (v) any other person that provides health benefit plans subject
9 to regulation by the State.

10 (3) “Health care practitioner” means an individual who is licensed,
11 certified, or otherwise authorized under the Health Occupations Article to provide
12 health care services.

13 (b) A carrier may not reimburse a health care practitioner in an amount less
14 than the sum or rate negotiated in the carrier’s provider contract with the health care
15 practitioner.

16 (c) **(1) IN THIS SUBSECTION, “SET OF HEALTH CARE**
17 **PRACTITIONERS” MEANS:**

18 **(I) A GROUP PRACTICE;**

19 **(II) A CLINICALLY INTEGRATED ORGANIZATION**
20 **ESTABLISHED IN ACCORDANCE WITH SUBTITLE 19 OF THIS TITLE; OR**

21 **(III) AN ACCOUNTABLE CARE ORGANIZATION ESTABLISHED**
22 **IN ACCORDANCE WITH 42 U.S.C. § 1899 AND ANY APPLICABLE FEDERAL**
23 **REGULATIONS.**

24 **(2)** This section does not prohibit a carrier from providing bonuses or
25 other incentive–based compensation to a health care practitioner **OR A SET OF**
26 **HEALTH CARE PRACTITIONERS** if the bonus or other incentive–based compensation:

27 **(+) (I) DOES NOT CREATE A DISINCENTIVE TO THE PROVISION**
28 **OF MEDICALLY APPROPRIATE OR MEDICALLY NECESSARY HEALTH CARE**
29 **SERVICES; AND**

1 (II) IF THE CARRIER IS A HEALTH MAINTENANCE
 2 ORGANIZATION, complies with the provisions of § 19-705.1 of the Health – General
 3 Article.

4 ~~(2) promotes the delivery of medically appropriate care to an enrollee;~~
 5 ~~[and]~~

6 ~~(3) [except for the provision of preventive health care services, is not~~
 7 ~~based on the cost, or number of medical services provided, proposed, or recommended~~
 8 ~~by the health care practitioner without reference to the medical appropriateness or~~
 9 ~~necessity of the services.]~~ PROMOTES THE PROVISION OF PREVENTIVE HEALTH
 10 CARE SERVICES; AND

11 ~~(4) (I) PROMOTES THE PROVISION OF QUALITY HEALTH CARE~~
 12 ~~SERVICES DELIVERED IN AN EFFICIENT MANNER; OR~~

13 ~~(II) REWARDS A HEALTH CARE PRACTITIONER BASED ON~~
 14 ~~SATISFACTION OF PERFORMANCE MEASUREMENTS AGREED ON IN WRITING BY~~
 15 ~~THE CARRIER AND HEALTH CARE PRACTITIONER.~~

16 (3) A BONUS OR OTHER INCENTIVE-BASED COMPENSATION
 17 UNDER THIS SUBSECTION:

18 (I) IF APPLICABLE, SHALL PROMOTE THE PROVISION OF
 19 PREVENTIVE HEALTH CARE SERVICES; OR

20 (II) MAY REWARD A HEALTH CARE PRACTITIONER OR A SET
 21 OF HEALTH CARE PRACTITIONERS, BASED ON SATISFACTION OF PERFORMANCE
 22 MEASURES, IF THE FOLLOWING IS AGREED ON IN WRITING BY THE CARRIER AND
 23 THE HEALTH CARE PRACTITIONER OR SET OF HEALTH CARE PRACTITIONERS:

24 1. THE PERFORMANCE MEASURES;

25 2. THE METHOD FOR CALCULATING WHETHER THE
 26 PERFORMANCE MEASURES HAVE BEEN SATISFIED; AND

27 3. THE METHOD BY WHICH THE HEALTH CARE
 28 PRACTITIONER OR SET OF HEALTH CARE PRACTITIONERS MAY REQUEST
 29 RECONSIDERATION OF THE CALCULATIONS BY THE CARRIER.

30 (4) ACCEPTANCE OF A BONUS OR OTHER INCENTIVE-BASED
 31 COMPENSATION UNDER THIS SUBSECTION SHALL BE VOLUNTARY.

1 **(5) A CARRIER MAY NOT REQUIRE A HEALTH CARE**
 2 **PRACTITIONER OR A SET OF HEALTH CARE PRACTITIONERS TO PARTICIPATE IN**
 3 **THE CARRIER’S BONUS OR INCENTIVE–BASED COMPENSATION PROGRAM AS A**
 4 **CONDITION OF PARTICIPATION IN THE CARRIER’S PROVIDER NETWORK.**

5 **(6) A HEALTH CARE PRACTITIONER, A SET OF HEALTH CARE**
 6 **PRACTITIONERS, A HEALTH CARE PRACTITIONER’S DESIGNEE, OR A DESIGNEE**
 7 **OF A SET OF HEALTH CARE PRACTITIONERS MAY FILE A COMPLAINT WITH THE**
 8 **ADMINISTRATION REGARDING A VIOLATION OF THIS SUBSECTION.**

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.