

# SENATE BILL 884

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4lr2383  
CF 4lr2606

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

Introduced and read first time: January 31, 2014

Assigned to: Finance

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## A BILL ENTITLED

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; and generally relating to incentives for health care  
6 practitioners under health insurance.

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

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

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

19 **Article – Insurance**

20 15–113.

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

22 (2) “Carrier” means:

23 (i) an insurer;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (ii) a nonprofit health service plan;
- 2 (iii) a health maintenance organization;
- 3 (iv) a dental plan organization; or
- 4 (v) any other person that provides health benefit plans subject  
5 to regulation by the State.

6 (3) "Health care practitioner" means an individual who is licensed,  
7 certified, or otherwise authorized under the Health Occupations Article to provide  
8 health care services.

9 (b) A carrier may not reimburse a health care practitioner in an amount less  
10 than the sum or rate negotiated in the carrier's provider contract with the health care  
11 practitioner.

12 (c) This section does not prohibit a carrier from providing bonuses or other  
13 incentive-based compensation to a health care practitioner if the bonus or other  
14 incentive-based compensation:

15 (1) complies with the provisions of § 19-705.1 of the Health – General  
16 Article;

17 (2) promotes the delivery of medically appropriate care to an enrollee;  
18 [and]

19 (3) [except for the provision of preventive health care services, is not  
20 based on the cost, or number of medical services provided, proposed, or recommended  
21 by the health care practitioner without reference to the medical appropriateness or  
22 necessity of the services] **PROMOTES THE PROVISION OF PREVENTIVE HEALTH  
23 CARE SERVICES; AND**

24 **(4) (I) PROMOTES THE PROVISION OF QUALITY HEALTH CARE  
25 SERVICES DELIVERED IN AN EFFICIENT MANNER; OR**

26 **(II) REWARDS A HEALTH CARE PRACTITIONER BASED ON  
27 SATISFACTION OF PERFORMANCE MEASUREMENTS AGREED ON IN WRITING BY  
28 THE CARRIER AND HEALTH CARE PRACTITIONER.**

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