HOUSE BILL 1127

C3 4lr2606
CF SB 884

By: ~~Delegate Tarrant~~ **Delegates Tarrant, Bromwell, Costa, Cullison, Donoghue, Elliott, Hammen, Hubbard, Kach, A. Kelly, Kipke, McDonough, Morhaim, Murphy, Nathan–Pulliam, Pena–Melnyk, Pendergrass, Reznik, and V. Turner**

Introduced and read first time: February 7, 2014
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 12, 2014

CHAPTER _____

AN ACT concerning

Health Insurance – Incentives for Health Care Practitioners

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

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

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

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

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.

Article – Insurance

15–113.

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

(2) "Carrier" means:

(i) an insurer;

(ii) a nonprofit health service plan;

(iii) a health maintenance organization;

(iv) a dental plan organization; or

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

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

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

(c) **(1) IN THIS SUBSECTION, "SET OF HEALTH CARE PRACTITIONERS" MEANS:**

(I) A GROUP PRACTICE;

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

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

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

~~(1)~~ **(I) DOES NOT CREATE A DISINCENTIVE TO THE PROVISION OF MEDICALLY APPROPRIATE OR MEDICALLY NECESSARY HEALTH CARE SERVICES; AND**

(II) IF THE CARRIER IS A HEALTH MAINTENANCE ORGANIZATION, complies with the provisions of § 19–705.1 of the Health – General Article~~;~~**.**

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

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

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

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

(3) A BONUS OR OTHER INCENTIVE–BASED COMPENSATION UNDER THIS SUBSECTION:

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

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

1. THE PERFORMANCE MEASURES;

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

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

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

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

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

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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.