

SENATE BILL 946

C3

8r3195
CF 8r1121

By: **Senator Young**

Introduced and read first time: February 5, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Freedom of Choice of Laboratory Act**

3 FOR the purpose of prohibiting certain carriers from prohibiting an enrollee from selecting,
4 or limiting the ability of an enrollee to select, a certain laboratory for the receipt of
5 certain services under certain circumstances; prohibiting certain carriers, under
6 certain circumstances, from denying a laboratory a certain right or imposing on an
7 enrollee certain payments, fees, and conditions for certain services; prohibiting
8 certain carriers from imposing certain advantages and penalties under a health
9 benefit plan or reducing certain reimbursement to an enrollee for certain services for
10 a certain reason; requiring a laboratory to offer a certain laboratory service to certain
11 enrollees under certain circumstances; requiring certain carriers to provide a certain
12 notice and extend a certain offer to certain laboratories on or before a certain date;
13 requiring that certain laboratories be eligible to participate in certain health benefit
14 plans under certain terms and conditions; requiring certain carriers to inform certain
15 enrollees of the names and locations of certain laboratories on a certain basis;
16 authorizing a laboratory to inform certain customers of certain information; defining
17 certain terms; providing for the application of this Act; providing for a delayed
18 effective date; and generally relating to health insurance and laboratory services.

19 BY adding to

20 Article – Insurance

21 Section 15–2001 through 15–2005 to be under the new subtitle “Subtitle 20. Freedom
22 of Choice of Laboratory Act”

23 Annotated Code of Maryland

24 (2017 Replacement Volume)

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

27 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **SUBTITLE 20. FREEDOM OF CHOICE OF LABORATORY ACT.**

2 **15-2001.**

3 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
4 **INDICATED.**

5 **(B) “CARRIER” MEANS:**

6 **(1) AN INSURER;**

7 **(2) A NONPROFIT HEALTH SERVICE PLAN;**

8 **(3) A HEALTH MAINTENANCE ORGANIZATION; OR**

9 **(4) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS**
10 **SUBJECT TO REGULATION BY THE STATE.**

11 **(C) “CONTRACT PROVIDER” MEANS A LABORATORY AUTHORIZED TO**
12 **PROVIDE LABORATORY SERVICES, UNDER THE TERMS AND CONDITIONS OF A**
13 **CARRIER HEALTH BENEFIT PLAN.**

14 **(D) “ENROLLEE” MEANS A PERSON ENTITLED TO HEALTH CARE BENEFITS**
15 **FROM A CARRIER.**

16 **(E) “HEALTH BENEFIT PLAN” HAS THE MEANING STATED IN § 15-112 OF**
17 **THIS TITLE.**

18 **15-2002.**

19 **THIS SUBTITLE APPLIES TO CARRIERS THAT PROVIDE COVERAGE FOR**
20 **LABORATORY SERVICES UNDER HEALTH BENEFIT PLANS THAT ARE ISSUED OR**
21 **DELIVERED IN THE STATE.**

22 **15-2003.**

23 **A CARRIER MAY NOT:**

24 **(1) PROHIBIT AN ENROLLEE FROM SELECTING, OR LIMIT THE ABILITY**
25 **OF AN ENROLLEE TO SELECT, A LABORATORY OF THE ENROLLEE’S CHOICE FOR THE**
26 **RECEIPT OF LABORATORY SERVICES IF THE LABORATORY PARTICIPATES AS A**
27 **CONTRACT PROVIDER IN THE HEALTH BENEFIT PLAN OFFERED BY THE CARRIER;**

1 **(2) DENY A LABORATORY THE RIGHT TO PARTICIPATE AS A CONTRACT**
2 **PROVIDER UNDER A HEALTH BENEFIT PLAN IF THE LABORATORY AGREES TO:**

3 **(I) PROVIDE LABORATORY SERVICES IN A MANNER THAT**
4 **MEETS THE TERMS AND CONDITIONS ESTABLISHED BY THE CARRIER UNDER THE**
5 **HEALTH BENEFIT PLAN; AND**

6 **(II) THE TERMS OF REIMBURSEMENT ESTABLISHED BY THE**
7 **CARRIER UNDER THE HEALTH BENEFIT PLAN;**

8 **(3) FOR LABORATORY SERVICES PROVIDED TO AN ENROLLEE UNDER**
9 **A HEALTH BENEFIT PLAN THAT ARE RECEIVED FROM A CONTRACT PROVIDER,**
10 **IMPOSE ON THE ENROLLEE A COPAYMENT, FEE, OR CONDITION NOT IMPOSED ON**
11 **ALL OTHER ENROLLEES FOR THE SAME LABORATORY SERVICE UNDER THE HEALTH**
12 **BENEFIT PLAN;**

13 **(4) IMPOSE A MONETARY ADVANTAGE OR PENALTY UNDER A HEALTH**
14 **BENEFIT PLAN, INCLUDING A HIGHER COPAYMENT, A REDUCTION IN**
15 **REIMBURSEMENT FOR SERVICES, OR PROMOTION OF ONE PARTICIPATING**
16 **LABORATORY OVER ANOTHER PARTICIPATING LABORATORY, THAT MAY AFFECT AN**
17 **ENROLLEE'S CHOICE OF LABORATORY FROM AMONG THE LABORATORIES THAT**
18 **PARTICIPATE IN THE HEALTH BENEFIT PLAN OFFERED BY THE CARRIER; OR**

19 **(5) BECAUSE OF AN ENROLLEE'S SELECTION OF A LABORATORY OF**
20 **THE ENROLLEE'S CHOICE, REDUCE ALLOWABLE REIMBURSEMENT FOR AN**
21 **ENROLLEE'S LABORATORY SERVICES UNDER A HEALTH BENEFIT PLAN IF THE**
22 **LABORATORY HAS AGREED TO PARTICIPATE IN THE HEALTH BENEFIT PLAN**
23 **OFFERED BY THE CARRIER UNDER TERMS AND CONDITIONS THAT ARE OFFERED TO**
24 **ALL LABORATORIES UNDER THE HEALTH BENEFIT PLAN.**

25 **15-2004.**

26 **IF A LABORATORY PROVIDES A LABORATORY SERVICE TO AN ENROLLEE OF A**
27 **HEALTH BENEFIT PLAN THAT MEETS THE TERMS AND CONDITIONS OF THE HEALTH**
28 **BENEFIT PLAN ESTABLISHED BY THE CARRIER, THE LABORATORY SHALL OFFER THE**
29 **SAME LABORATORY SERVICE TO ALL ENROLLEES OF THE HEALTH BENEFIT PLAN**
30 **UNDER THE SAME TERMS AND CONDITIONS ESTABLISHED BY THE CARRIER.**

31 **15-2005.**

32 **(A) IF A CARRIER LIMITS COVERAGE AND REIMBURSEMENT OF**
33 **LABORATORY SERVICES UNDER A HEALTH BENEFIT PLAN TO LABORATORIES THAT**
34 **CONTRACT WITH THE CARRIER TO PROVIDE LABORATORY SERVICES, ON OR BEFORE**

1 **MARCH 1, 2019, THE CARRIER SHALL:**

2 **(1) PROVIDE WRITTEN NOTICE TO EACH LABORATORY THAT IS**
3 **LOCATED WITHIN THE GEOGRAPHICAL SERVICE AREA OF THE HEALTH BENEFIT**
4 **PLAN OF THE NETWORK REQUIREMENTS ESTABLISHED BY THE CARRIER; AND**

5 **(2) OFFER TO EACH LABORATORY THE OPPORTUNITY TO**
6 **PARTICIPATE IN THE HEALTH BENEFIT PLAN DURING THE NEXT PLAN YEAR.**

7 **(B) EACH LABORATORY TO WHICH A CARRIER EXTENDS AN OFFER TO**
8 **PARTICIPATE IN A HEALTH BENEFIT PLAN UNDER SUBSECTION (A) OF THIS SECTION**
9 **SHALL BE ELIGIBLE TO PARTICIPATE IN THE HEALTH BENEFIT PLAN UNDER**
10 **IDENTICAL REIMBURSEMENT TERMS AND CONDITIONS.**

11 **(C) ON AN ANNUAL BASIS, A CARRIER SHALL INFORM THE ENROLLEES OF A**
12 **HEALTH BENEFIT PLAN OFFERED BY THE CARRIER OF THE NAMES AND LOCATIONS**
13 **OF LABORATORIES THAT ARE PARTICIPATING IN THE HEALTH BENEFIT PLAN.**

14 **(D) A LABORATORY MAY INFORM ITS CUSTOMERS OF THE LABORATORY'S**
15 **PARTICIPATION IN A HEALTH BENEFIT PLAN NETWORK THROUGH A MEANS THAT IS**
16 **ACCEPTABLE TO THE LABORATORY AND THE CARRIER OFFERING THE HEALTH**
17 **BENEFIT PLAN.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
19 policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or
20 after January 1, 2019.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 January 1, 2019.