
By: Senators Trotter and Young

Introduced and read first time: February 7, 1996

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurers - Provider Panels - Participation of Community Health Care Providers**

3 FOR the purpose of requiring certain insurance carriers to ensure that a certain
4 percentage of those health care providers who have traditionally provided health
5 care services in the community being served by the carrier are included on the
6 carrier's provider panel under certain circumstances.

7 BY repealing and reenacting, with amendments,
8 Article 48A - Insurance Code
9 Section 490CC
10 Annotated Code of Maryland
11 (1994 Replacement Volume and 1995 Supplement)

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

14 **Article 48A - Insurance Code**

15 490CC.

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

17 (2) (i) "Carrier" means:

- 18 1. An insurer;
- 19 2. A nonprofit health service plan;
- 20 3. A health maintenance organization;
- 21 4. A dental plan organization; or
- 22 5. Any other person or organization that provides health
23 benefit plans subject to State regulation.

24 (ii) "Carrier" includes an entity that arranges a providerpanel for a
25 carrier.

26 (3) "Enrollee" means any person entitled to health care benefits from a
27 carrier.

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1 (4) "Provider" means a health care practitioner or a group of health care
2 practitioners licensed or otherwise authorized by law to provide healthcare services.

3 (5) (i) "Provider panel" means those providers with which a carrier
4 contracts to provide health care services to the carrier's enrollees under the carrier's
5 health benefit plan.

6 (ii) "Provider panel" does not include an arrangement between a
7 carrier and providers in which any provider may participate solely on the basis of the
8 provider's contracting with the carrier to provide services at a discounted fee-for-service
9 rate.

10 (b) A carrier that uses a provider panel shall establish procedures for:

11 (1) Reviewing applications for participation in the carrier's provider panel
12 in accordance with the provisions of this section;

13 (2) Notifying an enrollee of:

14 (i) The termination from the carrier's provider panel of the enrollee's
15 primary care provider who was furnishing health care services to the enrollee; and

16 (ii) The right of an enrollee upon request to continue to receive health
17 care services for a period of up to 90 days from the date of a primary care provider's
18 notice of termination from a carrier's provider panel for reasons unrelated to fraud,
19 patient abuse, incompetency, or loss of licensure status by the provider;

20 (3) Notifying primary care providers in the carrier's provider panel of the
21 termination of a specialty referral services provider; and

22 (4) Notifying a provider at least 90 days prior to the date of the termination
23 of the provider for reasons unrelated to fraud, patient abuse, incompetency, or loss of
24 licensure status by the provider.

25 (c) A carrier that uses a provider panel shall:

26 (1) Upon request, provide an application, and information relative to
27 consideration for participation in the carrier's provider panel, to any provider wishing to
28 apply for participation in the carrier's provider panel;

29 (2) Make publicly available its application; and

30 (3) Make efforts to increase the opportunity of a broad range of minority
31 providers to participate in the carrier's provider panel.

32 (d) (1) A provider seeking participation in the provider panel of a carrier shall
33 submit an application to the carrier.

34 (2) (i) After review by a carrier of an application submitted under
35 paragraph (1) of this subsection, subject to the provisions of paragraph (3) of this
36 subsection, the carrier shall accept or reject the provider for participation in the carrier's
37 provider panel.

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1 (ii) If the carrier rejects the provider for participation in the carrier's
2 provider panel, the carrier shall send written notification of the rejection to the provider
3 to the address listed on the application.

4 (3) (i) Except as provided in paragraph (4) of this subsection, within 30
5 days after the date of receipt by the carrier of a completed application, a carrier shall give
6 written notice to the provider to the address listed on the application of:

7 1. The carrier's intent to continue to process the provider's
8 application for purposes of obtaining necessary credentialing information; or

9 2. The carrier's rejection of the provider for participation in the
10 carrier's provider panel.

11 (ii) Failure by a carrier to provide the written notification required
12 under subparagraph (i) of this paragraph shall be considered a violation of this article and
13 the carrier is subject to the penalties provided under § 55A of this article.

14 (iii) If a carrier provides written notice to the provider of its intent to
15 continue to process the provider's application for purposes of obtaining the necessary
16 credentialing information under subparagraph (i) of this paragraph, the carrier shall:

17 1. Within 150 days after the date the notice is provided, accept
18 or reject the provider for participation in the carrier's provider panel; and

19 2. Send written notification to the address listed on the
20 application of the provider's acceptance or rejection for participation in the carrier's
21 provider panel.

22 (iv) Failure of a carrier to send the written notification required under
23 subparagraph (iii) of this paragraph shall be considered a violation of this article and the
24 carrier is subject to the provisions and penalties of §§ 55 and 55A of this article.

25 (4) (i) A carrier that receives an incomplete application submitted in
26 accordance with paragraph (1) of this subsection shall return the application within 10
27 days from the date of receipt to the provider to the address listed on the application.

28 (ii) The carrier shall indicate to the provider what information is
29 needed in order to make the application complete.

30 (iii) The provider may return the completed application to the carrier.

31 (iv) After the carrier receives the completed application, the carrier is
32 subject to the time periods established in paragraph (3) of this subsection.

33 (5) A carrier may charge a reasonable fee for any application that a provider
34 submits to the carrier under this section.

35 (E) IN REVIEWING APPLICATIONS FROM PROVIDERS DESIRING TO
36 PARTICIPATE IN THE CARRIER'S PROVIDER PANEL AND MAKING DETERMINATIONS
37 ON THOSE APPLICATIONS ON WHETHER TO ACCEPT OR DENY A PROVIDER FOR
38 PARTICIPATION, A CARRIER SHALL ENSURE THAT AT LEAST 30% OF THE PROVIDERS
39 PARTICIPATING IN ITS PROVIDER PANEL ARE PROVIDERS WHO HAVE

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1 TRADITIONALLY PROVIDED HEALTH CARE SERVICES TO THOSE IN THE
2 COMMUNITY BEING SERVED BY THE CARRIER.

3 [(e)] (F) A carrier may not deny an application for participation or terminate
4 participation on its provider panel on the basis of:

5 (1) Gender, race, age, religion, national origin, or a protected category
6 under the Americans with Disabilities Act;

7 (2) The type or number of appeals filed by the provider under the provisions
8 of Title 19, Subtitle 13 of the Health - General Article; or

9 (3) The type or the number of complaints or grievances the provider filed or
10 requested for review under the carrier's internal review system.

11 [(f)] (G) (1) A carrier may not deny an application for participation or
12 terminate participation on its provider panel solely on the basis of the license,
13 certification, or other authorization of the provider to provide services if the carrier
14 provides services within the provider's lawful scope of practice.

15 (2) Notwithstanding the provisions of paragraph (1) of this subsection, a
16 carrier may reject an application for participation or terminate participation on the
17 carrier's provider panel based on the participation on the carrier's provider panel by a
18 sufficient number of similarly qualified providers.

19 (3) A violation of this subsection does not create a new cause of action.

20 [(g)] (H) Each carrier shall establish an internal review system to resolve any
21 grievances initiated by providers that are participating in the carrier's provider panel,
22 including grievances involving the termination of a provider from participation in the
23 carrier's provider panel.

24 [(h)] (I) A carrier may not terminate a provider from participation in the
25 carrier's provider panel, or otherwise penalize a provider, for:

26 (1) Advocating the interest of a patient through the carrier's internal review
27 system; or

28 (2) Filing an appeal under the provisions of Title 19, Subtitle 13 of the
29 Health - General Article.

30 [(i)] (J) (1) A carrier shall provide to a new member prior to enrollment and to
31 existing enrollees at least once a year:

32 (i) A list of providers in its provider panel; and

33 (ii) Information with respect to providers who are no longer accepting
34 new patients.

35 (2) The information provided under paragraph (1) of this subsection shall
36 be updated at least once a year.

37 (3) The evidence of coverage, policy, or certificate shall:

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1 (i) Clearly indicate the office within the Administration that is
2 responsible for receiving and responding to enrollee's complaints concerning carriers; and

3 (ii) Include the telephone number of the office and the process for
4 filing a complaint.

5 [(j)] (K) (1) For a period of at least 90 days from the date of the notice of a
6 primary care provider's termination from the carrier's provider panel for reasons
7 unrelated to fraud, patient abuse, incompetency, or loss of licensure status by the primary
8 care provider, the primary care provider shall render health care services to any of the
9 carrier's enrollees who:

10 (i) Were receiving health care services from the primary care provider
11 prior to the notice of termination; and

12 (ii) Request, after receiving notice of the primary care provider's
13 termination under subsection (b) of this section, to continue receiving health care services
14 from the primary care provider.

15 (2) A carrier shall reimburse the primary care provider under this
16 subsection in accordance with the provider's agreement with the carrier.

17 [(k)] (L) The Commissioner shall:

18 (1) Adopt regulations concerning the application process that carriers shall
19 use to process applications for participation in a carrier's provider panel; and

20 (2) In consultation with the Secretary of Health and Mental Hygiene, adopt
21 strategies that would assist carriers in maximizing the opportunity of a broad range of
22 minority providers to participate in the delivery of health care services.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 1996.