

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 709

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Dorman” and substitute “Dorman, and Pinsky”; in line 5, strike “and”; in the same line, after “Act” insert “; providing for the application of this Act; and generally relating to prohibiting certain health insurance carriers from offering or paying bonuses and other incentive-based compensation to health care practitioners”; and after line 5, insert:

“BY repealing and reenacting, with amendments,

Article 48A - Insurance Code

Section 490DD

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)”.

AMENDMENT NO. 2

On page 1, after line 13, insert:

“Article 48A - Insurance Code

490DD.

(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;

(Over)

(iv) A dental plan organization; or

(v) Any other person or organization that provides health benefit plans subject to State regulation.

(3) “Health care practitioner” means any 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) This section does not prohibit a carrier from providing bonuses or other incentive-based compensation to a health care practitioner if the bonus or other incentive-based compensation does not:

(1) Violate the provisions of § 19-705.1 of the Health - General Article; or

(2) Deter the delivery of medically appropriate care to an enrollee.]

(C) (1) A CARRIER MAY NOT OFFER OR PAY BONUSES, INCENTIVES, OR OTHER FINANCIAL COMPENSATION, DIRECTLY OR INDIRECTLY, TO A HEALTH CARE PRACTITIONER OR CREATE ANY FINANCIAL DISINCENTIVES FOR A HEALTH CARE PRACTITIONER THAT WOULD, BY THEIR APPLICATION, INDUCE THE HEALTH CARE PRACTITIONER TO DENY, WITHHOLD, OR DELAY THE PROVISION OF MEDICALLY NECESSARY OR APPROPRIATE CARE TO AN ENROLLEE OR INSURED THAT THE ENROLLEE OR INSURED IS OTHERWISE ENTITLED TO RECEIVE UNDER THE ENROLLEE’S OR INSURED’S CONTRACT OR POLICY WITH THE CARRIER.

(2) THIS SUBSECTION DOES NOT PROHIBIT A CARRIER FROM USING CAPITATED RATES TO REIMBURSE A HEALTH CARE PRACTITIONER FOR HEALTH CARE SERVICES PROVIDED TO ITS ENROLLEES OR INSUREDS.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:”.

On page 2, after line 19, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to contracts issued on or after July 1, 1997 and to the renewal of contracts in effect before July 1, 1997, except that any contract in effect before July 1, 1997 shall comply with the provisions of this Act no later than July 1, 1998.”;

in line 20, strike “2.” and substitute “4.”; in the same line, after “That” insert “Sections 1 and 3 of”;  
in line 21, strike “October” and substitute “July”; and after line 21, insert:

“SECTION 5. AND BE IT FURTHER ENACTED That, Section 2 of this Act shall take effect October 1, 1997”.