
By: Delegates Barve and Goldwater

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 Health Benefit Carriers and Health Maintenance Organizations - Information Disclosure

3 FOR the purpose of requiring certain marketing documents of health maintenance
4 organizations and certain carriers to describe the amount of compensation and
5 bonuses paid to executives and officers of the health maintenance organizations and
6 carriers and the proportion of revenue of the health maintenance organizations and
7 carriers spent on medical services; requiring certain health benefit carriers, on
8 request by certain health care providers or patients, to provide the health care
9 providers or patients with information about certain fee schedules of the carriers;
10 and generally relating to the disclosure of certain information by health benefit
11 carriers and health maintenance organizations.

12 BY repealing and reenacting, with amendments,

13 Article - Health - General
14 Section 19-706(i) and 19-714
15 Annotated Code of Maryland
16 (1996 Replacement Volume and 1996 Supplement)

17 BY adding to

18 Article - Insurance
19 Section 15-121
20 Annotated Code of Maryland
21 (1995 Volume and 1996 Supplement)
22 (As enacted by Chapter ____ (H.B. 11) of the Acts of the General Assembly of 1997)

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

25 Article - Health - General

26 19-706.

27 (i) The provisions of [Article 48A, §§ 490U, 490AA, 490CC, 490DD, and 490HH
28 of the Code] §§ 15-105, 15-112, 15-113, 15-121, 15-804, AND 15-812 OF THE INSURANCE
29 ARTICLE shall apply to health maintenance organizations.

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1 19-714.

2 Each marketing document that sets forth the health care services of a health
3 maintenance organization shall describe fully and clearly:

4 (1) The health care services under each benefit package and every other
5 benefit to which a member is entitled;

6 (2) Where and how services may be obtained;

7 (3) Each exclusion or limitation on any service or other benefit that it
8 provides;

9 (4) Each deductible feature;

10 (5) Each copayment provision; [and]

11 (6) All information required by [Article 48A, § 703(c) of the Code] §
12 15-1206 OF THE INSURANCE ARTICLE;

13 (7) THE AMOUNT OF COMPENSATION AND BONUSES PAID TO
14 EXECUTIVES AND OFFICERS OF THE HEALTH MAINTENANCE ORGANIZATION; AND

15 (8) THE PROPORTION OF THE REVENUES OF THE HEALTH
16 MAINTENANCE ORGANIZATION SPENT ON MEDICAL SERVICES.

17 **Article - Insurance**

18 15-121.

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 (2) "CARRIER" MEANS:

22 (I) AN INSURER;

23 (II) A NONPROFIT HEALTH SERVICE PLAN;

24 (III) A HEALTH MAINTENANCE ORGANIZATION;

25 (IV) A DENTAL PLAN ORGANIZATION; OR

26 (V) ANY OTHER PERSON OR ORGANIZATION THAT PROVIDES
27 HEALTH BENEFIT PLANS SUBJECT TO STATE REGULATION.

28 (3) "HEALTH CARE PROVIDER" MEANS ANY INDIVIDUAL WHO IS
29 LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH
30 OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE SERVICES.

31 (B) ON REQUEST BY A HEALTH CARE PROVIDER OR A PATIENT WHO HAS A
32 CONTRACTUAL RELATIONSHIP WITH A CARRIER, THE CARRIER SHALL PROVIDE:

33 (1) INFORMATION TO THE HEALTH CARE PROVIDER OR PATIENT
34 ABOUT THE HEALTH CARE PROVIDER FEE SCHEDULES OF THE CARRIER; AND

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1 (2) IN EACH MARKETING DOCUMENT OF THE CARRIER:

2 (I) THE AMOUNT OF COMPENSATION AND BONUSES PAID TO
3 EXECUTIVES AND OFFICERS OF THE CARRIER; AND

4 (II) THE PROPORTION OF THE REVENUES OF THE CARRIER SPENT
5 ON MEDICAL SERVICES.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 1997.