
By: Senators Van Hollen, Teitelbaum, and Dorman

Introduced and read first time: January 31, 1997

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Patient Protection Act**

3 FOR the purpose of prohibiting certain health insurance carriers from offering or paying
4 bonuses and other incentive-based compensation to health care practitioners under
5 certain circumstances; and specifying the construction of this Act.

6 BY repealing and reenacting, with amendments,
7 Article - Insurance
8 Section 15-113
9 Annotated Code of Maryland
10 (1995 Volume and 1996 Supplement)
11 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

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

14 **Article - Insurance**

15 15-113.

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

17 (2) "Carrier" means:

18 (i) an insurer;

19 (ii) a nonprofit health service plan;

20 (iii) a health maintenance organization;

21 (iv) a dental plan organization; or

22 (v) any other person that provides health benefit plans subject to

23 regulation by the State.

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

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

4 [(c) This section does not prohibit a carrier from providing bonuses or other
 5 incentive-based compensation to a health care practitioner if the bonus or other
 6 incentive-based compensation does not:

7 (1) violate Sec. 19-705.1 of the Health - General Article; or

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

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

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

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