
By: Senator Roesser

Introduced and read first time: January 31, 1997

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 24, 1997

CHAPTER ____

1 AN ACT concerning

2 **Health Insurance - ~~Provider Panels~~ - Task Force to Review Requirements for Providers**
3 **to Serve on Panels**

4 FOR the purpose of ~~prohibiting a carrier that offers health insurance through one or~~
5 ~~more health service delivery systems and contracts with providers to offer health~~
6 ~~care services through one or more provider panels from requiring a provider, as a~~
7 ~~condition of participation or continuation on a provider panel, to serve on another~~
8 ~~provider panel under certain circumstances; defining a certain term; and generally~~
9 ~~relating to requirements to serve on provider panels in health insurance~~ establishing
10 a Task Force to Review Requirements for Providers to Serve on Panels; and
11 providing for the application of this Act.

12 ~~BY~~ repealing and reenacting, without amendments,13 ~~Article — Insurance~~14 ~~Section 15-112(a)~~15 ~~Annotated Code of Maryland~~16 ~~(1995 Volume and 1996 Supplement)~~17 ~~(As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)~~18 ~~BY~~ adding to19 ~~Article — Insurance~~20 ~~Section 15-112(t)~~21 ~~Annotated Code of Maryland~~22 ~~(1995 Volume and 1996 Supplement)~~23 ~~(As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)~~

2

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

3 **Article—Insurance**

4 ~~15-112.~~

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

6 ~~(2) (i) "Carrier" means:~~

7 ~~1. an insurer;~~

8 ~~2. a nonprofit health service plan;~~

9 ~~3. a health maintenance organization;~~

10 ~~4. a dental plan organization; or~~

11 ~~5. any other person that provides health benefit plans subject to~~
12 ~~regulation by the State.~~

13 ~~(ii) "Carrier" includes an entity that arranges a provider panel for a~~
14 ~~carrier.~~

15 ~~(3) "Enrollee" means a person entitled to health care benefits from a~~
16 ~~carrier.~~

17 ~~(4) "Provider" means a health care practitioner or group of health care~~
18 ~~practitioners licensed, certified, or otherwise authorized by law to provide health care~~
19 ~~services.~~

20 ~~(5) (i) "Provider panel" means the providers that contract with a carrier~~
21 ~~to provide health care services to the carrier's enrollees under the carrier's health benefit~~
22 ~~plan.~~

23 ~~(ii) "Provider panel" does not include an arrangement in which any~~
24 ~~provider may participate solely by contracting with the carrier to provide health care~~
25 ~~services at a discounted fee for service rate.~~

26 ~~(L) (1) IN THIS SUBSECTION, "HEALTH SERVICE DELIVERY SYSTEM"~~
27 ~~INCLUDES:~~

28 ~~(I) A NONPROFIT HEALTH SERVICE PLAN;~~

29 ~~(II) A HEALTH MAINTENANCE ORGANIZATION;~~

30 ~~(III) A PREFERRED PROVIDER ORGANIZATION;~~

31 ~~(IV) A FEE FOR SERVICE HEALTH INSURANCE PLAN; OR~~

32 ~~(V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS~~
33 ~~SUBJECT TO REGULATION BY THE STATE.~~

34 ~~(2) A CARRIER THAT OFFERS HEALTH INSURANCE THROUGH ONE OR~~
35 ~~MORE HEALTH SERVICE DELIVERY SYSTEMS AND CONTRACTS WITH PROVIDERS TO~~

~~1 OFFER HEALTH CARE SERVICES THROUGH ONE OR MORE PROVIDER PANELS MAY
2 NOT REQUIRE A PROVIDER, AS A CONDITION OF PARTICIPATION OR CONTINUATION
3 ON A PROVIDER PANEL, TO SERVE ALSO ON A PROVIDER PANEL OF ANOTHER
4 HEALTH SERVICE DELIVERY SYSTEM OF THE CARRIER OR ON A PROVIDER PANEL
5 OF ANOTHER CARRIER.;~~

6 (a) There is a Task Force to Review Requirements for Providers to Serve on
7 Panels.

8 (b) The purpose of the Task Force is to review the prevalence and circumstances
9 under which health insurers and health maintenance organizations require a health care
10 provider, as a condition of participation or continuation on a provider panel, to serve also
11 on a provider panel of another health service delivery system of the carrier or on a
12 provider panel of another carrier.

13 (c) The Task Force shall include in its review the impact on the Medical
14 Assistance Managed Care Program of requiring providers to serve on panels.

15 (d) The Task Force shall consist of the following 19 members:

16 (1) Two members of the Senate Finance Committee, appointed by the
17 President of the Senate;

18 (2) Two members of the House of Delegates, appointed by the Speaker of
19 the House;

20 (3) One representative from the Maryland Insurance Administration,
21 appointed by the Insurance Commissioner;

22 (4) One representative from the Department of Health and Mental
23 Hygiene, appointed by the Secretary of Health and Mental Hygiene;

24 (5) One representative from the Attorney General's Office, appointed by
25 the Attorney General;

26 (6) Six representatives of the health insurance industry, appointed by the
27 Governor;

28 (7) Four physician representatives, appointed by the Governor; and

29 (8) Two nonphysician health care provider representatives, appointed by the
30 Governor.

31 (e) The Governor shall designate the Chairman of the Task Force from the
32 appointed members.

33 (f) The Department of Health and Mental Hygiene and the Maryland Insurance
34 Administration shall provide staffing for the Task Force.

35 (g) On or before December 1, 1997, the Task Force shall submit a report on the
36 results of its review, together with any recommendations, to the Governor and, in
37 accordance with § 2-1312 of the State Government Article, to the Senate Finance
38 Committee, the House Environmental Matters Committee, and the House Economic
39 Matters Committee.

4

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