

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

House Bill 1204 (Delegate Barve)  
Economic Matters

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**Health Insurance Carriers - Assignment, Transfer, or Subcontract of Providers' Contracts**

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This bill prohibits a health insurer, nonprofit health service plan, or HMO (carrier) from assigning, transferring, or subcontracting a health care provider's contract without first informing the provider and obtaining the provider's written consent, except in cases of consolidation, acquisition, or merger. A carrier may not impair the contract of a provider on the basis that the provider refused to agree to an assignment, transfer, or subcontract.

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**Fiscal Summary**

**State Effect:** None. The bill would not directly affect governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** Potential minimal effect on small businesses as discussed below.

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**Fiscal Analysis**

**Small Business Effect:** For the small business health care provider, this bill may have a positive impact if it stabilizes contract agreements and provides certainty concerning payment arrangements.

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**Information Source(s):** Insurance Administration; Department of Budget and Management; Department of Health and Mental Hygiene (Health Care Access and Cost Commission, Medical Care Policy Administration); Department of Fiscal Services

**Fiscal Note History:** First Reader - February 18, 1997

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Analysis by: Lina Walker

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710