

BY: Finance Committee

AMENDMENTS TO HOUSE BILL NO. 640  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after the first “of” insert “altering the manner of determining the amount of reimbursement of health care practitioners by certain health insurance carriers; providing that certain health insurance carriers may not reimburse a health care practitioner in an amount less than that specified in a certain reimbursement schedule; requiring certain health insurance carriers to provide a copy of certain reimbursement schedules and the methodology used to determine any bonuses or other incentive-based compensation under certain circumstances; prohibiting certain health insurance carriers from providing bonuses or other incentive-based compensation to health care practitioners under certain circumstances; authorizing the Maryland Insurance Administration to adopt certain regulations; requiring a carrier that owns or contracts with a managed behavioral healthcare organization for the provision of behavioral health care services to provide a certain referral policy to enrollees; requiring a managed behavioral healthcare organization to file certain information with the Insurance Commissioner under certain circumstances; requiring a carrier to distribute certain information to enrollees;”;

in line 15, after “to” insert “compensation of health care practitioners by health insurance carriers, managed behavioral healthcare organizations, and”; after line 16, insert:

“BY repealing and reenacting, with amendments,

Article - Insurance

Section 15-113

Annotated Code of Maryland

(1997 Volume)”;

and in line 19, after “Section” insert “15-124 and”.

On page 2, after line 3, insert:

(Over)

“BY adding to  
Article - Health - General  
Section 19-706(y)  
Annotated Code of Maryland  
(1996 Replacement Volume and 1997 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 6, insert:

“15-113.

(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;

(iv) a dental plan organization; or

(v) any other person that provides health benefit plans subject to regulation by  
the State.

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

(4) “MEDICAL SERVICES” MEANS ANY COVERED SERVICES THAT AN  
ENROLLEE OR INSURED IS ENTITLED TO UNDER A CARRIER'S CONTRACT WITH THE  
ENROLLEE OR INSURED.

(5) “REIMBURSEMENT SCHEDULE” MEANS THE PAYMENT AMOUNTS,  
WHETHER PAID ON A CAPITATED BASIS, FEE FOR SERVICES BASIS, OR OTHER BASIS,  
THAT A CARRIER HAS ESTABLISHED FOR PAYMENTS TO A HEALTH CARE

PRACTITIONER, OR A PRACTICE GROUP OF HEALTH CARE PRACTITIONERS, FOR THE PERFORMANCE OF A SPECIFIC MEDICAL SERVICE OR GROUP OF MEDICAL 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] THAT SPECIFIED IN THE REIMBURSEMENT SCHEDULE THAT IS APPLICABLE TO THE HEALTH CARE PRACTITIONER AND IS IN EFFECT ON THE DATE THAT MEDICAL SERVICES ARE PROVIDED BY THE HEALTH CARE PRACTITIONER TO THE CARRIER'S ENROLLEE OR INSURED.

[(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 § 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 ADOPT A REIMBURSEMENT SCHEDULE THAT REDUCES THE AMOUNT OF REIMBURSEMENT TO A HEALTH CARE PRACTITIONER OR A PRACTICE GROUP OF HEALTH CARE PRACTITIONERS BASED ON THE OVERALL NUMBER OR COST OF MEDICAL SERVICES PROPOSED OR RECOMMENDED BY THE HEALTH CARE PRACTITIONER OR THE PRACTICE GROUP OF HEALTH CARE PRACTITIONERS.

(2) (I) A CARRIER MAY PROVIDE BONUSES OR OTHER INCENTIVE-BASED COMPENSATION TO A HEALTH CARE PRACTITIONER ONLY IF THE BONUS OR OTHER INCENTIVE-BASED COMPENSATION DOES NOT:

1. VIOLATE § 19-705.1 OF THE HEALTH - GENERAL ARTICLE;

OR

2. DETER THE DELIVERY OF MEDICALLY APPROPRIATE CARE TO AN ENROLLEE OR INSURED.

(Over)

(II) NO BONUS OR OTHER INCENTIVE-BASED COMPENSATION THAT IS BASED ON THE AMOUNT OF HEALTH CARE SERVICES OR RESOURCES PROVIDED TO AN ENROLLEE OR INSURED MAY BE PROVIDED TO A HEALTH CARE PRACTITIONER OR A PRACTICE GROUP OF HEALTH CARE PRACTITIONERS, EXCEPT THAT A BONUS MAY BE BASED, IN WHOLE OR IN PART, ON THE PROVISION OF PREVENTATIVE HEALTH CARE SERVICES.

(D) (1) UPON REQUEST, A CARRIER SHALL PROVIDE A COPY OF THE CARRIER'S REIMBURSEMENT SCHEDULE THAT IS APPROPRIATE TO THE HEALTH CARE PRACTITIONER'S SPECIALTY, SUBSPECIALTY, OR GEOGRAPHIC REGION AND THE METHODOLOGY USED TO DETERMINE ANY BONUSES OR OTHER INCENTIVE-BASED COMPENSATION:

(I) WITH ANY NEW CONTRACT OFFERING TO HEALTH CARE PRACTITIONERS WHO DO NOT CURRENTLY HAVE A CONTRACT WITH THE CARRIER;

(II) ONCE A YEAR ON REQUEST OF A HEALTH CARE PRACTITIONER WITH WHOM THE CARRIER HAS A CONTRACT TO PROVIDE SERVICES TO THE CARRIER'S ENROLLEES OR INSUREDS; AND

(III) 30 DAYS BEFORE ANY PROPOSED CHANGE IN THE REIMBURSEMENT SCHEDULE OR IN THE METHODOLOGY USED TO DETERMINE BONUSES OR OTHER INCENTIVE-BASED COMPENSATION.

(2) THE REIMBURSEMENT SCHEDULE PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE THE PROPOSED PAYMENTS FOR THE MOST COMMON EVALUATION AND MANAGEMENT SERVICES AND SURGICAL PROCEDURES THAT THE HEALTH CARE PRACTITIONER REASONABLY WOULD BE EXPECTED TO PERFORM FOR THE CARRIER'S ENROLLEES OR INSUREDS.

(E) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

15-124.

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

(2) “MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION” MEANS A COMPANY THAT:

(I) UNDERTAKES TO ARRANGE FOR OR ADMINISTERS THE PROVISION OF BEHAVIORAL HEALTH CARE SERVICES TO ENROLLEES; OR

(II) MAKES BEHAVIORAL HEALTH CARE SERVICES AVAILABLE TO ENROLLEES THROUGH CONTRACTS WITH PROVIDERS.

(3) “BEHAVIORAL HEALTH CARE SERVICES” MEANS TREATMENT PROCEDURES OR SERVICES RENDERED BY A PROVIDER FOR THE TREATMENT OF MENTAL ILLNESS, EMOTIONAL DISORDERS, DRUG ABUSE, OR ALCOHOL ABUSE.

(4) “CARRIER” MEANS:

(I) A HEALTH INSURER;

(II) A NONPROFIT HEALTH SERVICE PLAN;

(III) A HEALTH MAINTENANCE ORGANIZATION;

(IV) A DENTAL PLAN ORGANIZATION;

(V) A PREFERRED PROVIDER ORGANIZATION;

(VI) A THIRD PARTY ADMINISTRATOR; OR

(VII) EXCEPT FOR A MANAGED CARE ORGANIZATION AS DEFINED IN TITLE 15, SUBTITLE 1 OF THE HEALTH - GENERAL ARTICLE, ANY OTHER PERSON

(Over)

THAT PROVIDES HEALTH BENEFIT PLANS SUBJECT TO REGULATION BY THE STATE.

(5) "ENROLLEE" MEANS A PERSON ENTITLED TO BEHAVIORAL HEALTH CARE SERVICES FROM A MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION UNDER A POLICY, PLAN, OR CERTIFICATE ISSUED OR DELIVERED IN THE STATE BY A CARRIER.

(6) "PROVIDER" MEANS A PERSON LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH OCCUPATIONS ARTICLE OR THE HEALTH - GENERAL ARTICLE TO PROVIDE HEALTH CARE SERVICES.

(B) (1) IF A MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION REQUIRES AN ENROLLEE TO OBTAIN A REFERRAL FOR THE PROVISION OF BEHAVIORAL HEALTH CARE SERVICES, THE CARRIER SHALL PROVIDE THE ENROLLEE WITH THE REFERRAL POLICY OF THE MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION AT THE TIME OF ENROLLMENT.

(2) A CARRIER THAT OWNS OR CONTRACTS WITH A MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION SHALL DISTRIBUTE TO ENROLLEES OF THE CARRIER:

(I) AN EXPLANATION OF THE SPECIFIC BEHAVIORAL HEALTH CARE SERVICES COVERED BY AND THE SPECIFIC EXCLUSIONS OF THE MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION;

(II) AN EXPLANATION OF THE ENROLLEE'S RESPONSIBILITIES FOR OBTAINING A REFERRAL FOR THE PROVISION OF BEHAVIORAL HEALTH CARE SERVICES;

(III) AN EXPLANATION OF THE REIMBURSEMENT METHODOLOGY THE MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION USES TO REIMBURSE PROVIDERS FOR BEHAVIORAL HEALTH CARE SERVICES RENDERED TO ENROLLEES;

(IV) AN EXPLANATION OF THE PROCEDURE AN ENROLLEE MUST

UTILIZE WHEN ATTEMPTING TO OBTAIN BEHAVIORAL HEALTH CARE SERVICES, WITHOUT A REFERRAL, OUTSIDE OF THE MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION'S NETWORK OF PROVIDERS; AND

(V) AN EXPLANATION OF THE CARRIER'S PROCESS FOR APPEALING A PAYMENT DENIAL.

(C) THE EXPLANATION THAT A CARRIER IS REQUIRED TO PROVIDE UNDER SUBSECTION (B)(3)(III) OF THIS SECTION SHALL BE CONSISTENT WITH § 15-121(C) OF THIS SUBTITLE.

(D) (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, ON OR BEFORE MARCH 1 OF EACH YEAR, EACH CARRIER THAT OWNS OR CONTRACTS WITH A MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION SHALL FILE WITH THE COMMISSIONER, IN A FORM REQUIRED BY THE COMMISSIONER, THE TOTAL INCURRED CARE EXPENSES OF THE MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION FOR BEHAVIORAL HEALTH CARE SERVICES IN RELATION TO THE TOTAL PAYMENTS FROM THE CARRIER TO THE MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION ON BEHALF OF ENROLLEES OF THE CARRIER.

(2) THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION DO NOT APPLY TO A MANAGED BEHAVIORAL HEALTHCARE ORGANIZATION THAT, FOR AN ADMINISTRATIVE FEE ONLY, SOLELY ARRANGES A PROVIDER PANEL FOR A CARRIER FOR THE PROVISION OF BEHAVIORAL HEALTH CARE SERVICES ON A DISCOUNTED FEE-FOR-SERVICE BASIS.

(E) THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.”.

On page 3, after line 20, insert:

“(Y) THE PROVISIONS OF § 15-124 OF THE INSURANCE ARTICLE SHALL APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.”.

(Over)