

HOUSE BILL 1162

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C3

1998 Regular Session  
(8lr2296)

*ENROLLED BILL*  
*-- Economic Matters/Finance --*

Introduced by **Delegates Barve, Goldwater, Donoghue, Boston, Exum, Kirk,  
Crumlin, Frank, and Fulton**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Insurance - Compensation of Health Care Practitioners - Capitated**  
3 **Fees**

4 FOR the purpose of prohibiting health insurance carriers that compensate health  
5 care practitioners on a capitated basis from retaining certain capitated fees;  
6 requiring carriers to pay health care practitioners certain capitated fees in a  
7 certain manner; and generally relating to compensation of health care  
8 practitioners by health insurance carriers on a capitated basis.

9 BY repealing and reenacting, with amendments,  
10 Article - Insurance  
11 Section 15-113  
12 Annotated Code of Maryland  
13 (1997 Volume)

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 15-113.

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

6 (2) "Carrier" means:

7 (i) an insurer;

8 (ii) a nonprofit health service plan;

9 (iii) a health maintenance organization;

10 (iv) a dental plan organization; or

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

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

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

19 (c) This section does not prohibit a carrier from providing bonuses or other  
20 incentive-based compensation to a health care practitioner if the bonus or other  
21 incentive-based compensation does not:

22 (1) violate § 19-705.1 of the Health - General Article; or

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

24 (D) (1) A CARRIER THAT COMPENSATES HEALTH CARE PRACTITIONERS  
25 WHOLLY OR PARTLY ON A CAPITATED BASIS MAY NOT RETAIN ANY CAPITATED FEE  
26 ATTRIBUTABLE TO AN ENROLLEE OR COVERED PERSON DURING AN ENROLLEE'S OR  
27 COVERED PERSON'S CONTRACT YEAR.

28 (2) A CARRIER IS IN COMPLIANCE WITH PARAGRAPH (1) OF THIS  
29 SUBSECTION IF, WITHIN 45 DAYS AFTER AN ENROLLEE OR COVERED PERSON  
30 CHOOSES OR OBTAINS HEALTH CARE FROM A HEALTH CARE PRACTITIONER, THE  
31 CARRIER PAYS TO THE HEALTH CARE PRACTITIONER ALL ACCRUED BUT UNPAID  
32 CAPITATED FEES ATTRIBUTABLE TO THAT ENROLLEE OR PERSON THAT THE HEALTH  
33 CARE PRACTITIONER WOULD HAVE RECEIVED HAD THE ENROLLEE OR PERSON

1 CHOSEN THE HEALTH CARE PRACTITIONER AT THE ~~TIME OF ENROLLMENT~~  
2 BEGINNING OF THE ENROLLEE'S OR COVERED PERSON'S CONTRACT YEAR.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
4 effect October 1, 1998.