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## By: Senator Madden

Introduced and read first time: February 6, 1998 Assigned to: Finance

Committee Report: Favorable with amendments Senate action: Adopted Read second time: March 26, 1998

CHAPTER\_\_\_\_\_

1 AN ACT concerning

### 2 Health Insurance - Reimbursements to Health Care Practitioners - Costs of 3 <u>Oncology</u> Drugs

4 FOR the purpose of prohibiting a carrier from reimbursing a health care practitioner

- 5 in an amount that is less than the cost to the health care practitioner for the cost
- 6 of a <u>an oncology</u> drug used in treating a patient under certain circumstances;
- 7 providing for a certain exception; and generally relating to the reimbursement of
- 8 <u>oncology</u> drug costs to health care practitioners in health insurance.

9 BY repealing and reenacting, without amendments,

- 10 Article Health General
- 11 Section 19-706(i)
- 12 Annotated Code of Maryland
- 13 (1996 Replacement Volume and 1997 Supplement)

14 BY repealing and reenacting, with amendments,

- 15 Article Insurance
- 16 Section 15-113
- 17 Annotated Code of Maryland
- 18 (1997 Volume)

#### 19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

20 MARYLAND, That the Laws of Maryland read as follows:

2	SENATE BILL 643
1	Article - Health - General
2	19-706.
3 4	(i) The provisions of §§ 15-105, 15-112, 15-113, 15-804, and 15-812 of the Insurance Article shall apply to health maintenance organizations.
5	Article - Insurance
6	15-113.
7	(a) (1) In this section the following words have the meanings indicated.
8	(2) "Carrier" means:
9	(i) an insurer;
10	(ii) a nonprofit health service plan;
11	(iii) a health maintenance organization;
12	(iv) a dental plan organization; or
13 14	(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.
	(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.
	(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:
24	(1) violate § 19-705.1 of the Health - General Article; or
25	(2) deter the delivery of medically appropriate care to an enrollee.
28 29 30	(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A CARRIER MAY NOT REIMBURSE A HEALTH CARE PRACTITIONER IN AN AMOUNT THAT IS LESS THAN THE COST TO THE HEALTH CARE PRACTITIONER FOR THE COST OF <del>A</del> <del>DRUG</del> <u>AN ONCOLOGY DRUG COVERED UNDER THE PATIENT'S HEALTH BENEFIT</u> <u>POLICY, PLAN, OR CERTIFICATE</u> USED BY THE HEALTH CARE PRACTITIONER IN TREATING A PATIENT IN THE OFFICE OF THE HEALTH CARE PRACTITIONER.

# 32(2)A CARRIER MAY REIMBURSE A HEALTH CARE PRACTITIONER AN33AMOUNT THAT IS LESS THAN THE COST TO THE HEALTH CARE PRACTITIONER FOR

#### **SENATE BILL 643**

1 THE COST OF A AN ONCOLOGY DRUG USED BY THE HEALTH CARE PRACTITIONER IN

2 TREATING A PATIENT IN THE OFFICE OF THE HEALTH CARE PRACTITIONER IF THE

3 CARRIER PROVIDES AN ALTERNATIVE MECHANISM OR PROGRAM FOR THE HEALTH

4 CARE PRACTITIONER TO USE TO OBTAIN THE DRUG THAT IS NOT UNDULY

5 BURDENSOME ON THE HEALTH CARE PRACTITIONER OR THE PATIENT ONCOLOGY

6 <u>DRUG</u>.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

8 October 1, 1998.