

SENATE BILL 667

Unofficial Copy  
C3

1998 Regular Session  
(8lr2156)

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

Introduced by **Senators Teitelbaum, Van Hollen, Forehand, Roesser, Dorman, McFadden, and Sfikas**

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.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Insurance Carriers - Assignment, Transfer, or Subcontracting of**  
3 **Health Care Providers' Contracts**

4 FOR the purpose of prohibiting health insurance carriers from assigning,  
5 transferring, or subcontracting a health care provider's contract with the carrier  
6 to a certain insurer without informing the provider and obtaining certain  
7 consent under certain circumstances; ~~prohibiting a carrier from terminating,~~  
8 ~~limiting, or impairing the contract or employment of a provider with the carrier~~  
9 ~~on the basis that the provider refused to agree to an assignment, transfer, or~~  
10 ~~subcontracting of the contract under certain circumstances; prohibiting a carrier~~  
11 ~~from terminating, limiting, or impairing the contract or employment of a~~  
12 ~~provider with the carrier on the basis that the provider refused to agree to an~~  
13 ~~assignment, transfer, or subcontracting of the contract under certain~~  
14 ~~circumstances;~~ defining certain terms; and generally relating to the assignment,  
15 transfer, or subcontracting of contracts of health care providers by health  
16 insurance carriers.

1 BY adding to  
 2 Article - Insurance  
 3 Section 15-124  
 4 Annotated Code of Maryland  
 5 (1997 Volume)

6 BY adding to  
 7 Article - Health - General  
 8 Section 19-706(y)  
 9 Annotated Code of Maryland  
 10 (1996 Replacement Volume and 1997 Supplement)

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

13 **Article - Insurance**

14 15-124.

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

17 (2) ~~(I)~~ "CARRIER" MEANS:

18 ~~(⊕)~~ 1. AN INSURER;

19 ~~(⊕)~~ 2. A NONPROFIT HEALTH SERVICE PLAN;

20 ~~(⊕)~~ 3. A HEALTH MAINTENANCE ORGANIZATION;

21 ~~(⊕)~~ 4. A DENTAL PLAN ORGANIZATION; OR

22 ~~(⊕)~~ 5. ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT  
 23 PLANS SUBJECT TO REGULATION BY THE STATE.

24 ~~(II)~~ "CARRIER" INCLUDES AN ENTITY THAT ARRANGES A PROVIDER  
 25 PANEL FOR A CARRIER.

26 (3) "CONTRACT" MEANS THE IMPLIED OR EXPRESS AGREEMENT  
 27 BETWEEN A HEALTH CARE PROVIDER AND CARRIER, INCLUDING THE RIGHTS,  
 28 OBLIGATIONS, AND FEE SCHEDULE FOR THE PROVISION OF HEALTH CARE SERVICES.

29 (4) "HEALTH CARE PROVIDER" MEANS AN INDIVIDUAL WHO IS  
 30 LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH  
 31 OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE SERVICES.

32 (B) ~~(L)~~ ~~(⊕)~~ A CARRIER MAY NOT IN ANY MANNER ASSIGN, TRANSFER, OR  
 33 SUBCONTRACT A HEALTH CARE PROVIDER'S CONTRACT, WHOLLY OR PARTLY, TO AN  
 34 INSURER THAT OFFERS PERSONAL INJURY PROTECTION COVERAGE UNDER § 19-505

