

SENATE BILL 667

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SB 645/97 - FIN

1998 Regular Session  
8lr2156  
CF 8lr2155

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By: **Senators Teitelbaum, Van Hollen, Forehand, Roesser, Dorman,  
McFadden, and Sfikas**

Introduced and read first time: February 10, 1998

Assigned to: Rules

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A BILL ENTITLED

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; defining certain  
11 terms; and generally relating to the assignment, transfer, or subcontracting of  
12 contracts of health care providers by health insurance carriers.

13 BY adding to  
14 Article - Insurance  
15 Section 15-124  
16 Annotated Code of Maryland  
17 (1997 Volume)

18 BY adding to  
19 Article - Health - General  
20 Section 19-706(y)  
21 Annotated Code of Maryland  
22 (1996 Replacement Volume and 1997 Supplement)

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

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**Article - Insurance**

2 15-124.

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

5 (2) "CARRIER" MEANS:

6 (I) AN INSURER;

7 (II) A NONPROFIT HEALTH SERVICE PLAN;

8 (III) A HEALTH MAINTENANCE ORGANIZATION;

9 (IV) A DENTAL PLAN ORGANIZATION; OR

10 (V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS  
11 SUBJECT TO REGULATION BY THE STATE.

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

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

18 (B) (1) A CARRIER MAY NOT IN ANY MANNER ASSIGN, TRANSFER, OR  
19 SUBCONTRACT A HEALTH CARE PROVIDER'S CONTRACT, WHOLLY OR PARTLY, TO AN  
20 INSURER THAT OFFERS PERSONAL INJURY PROTECTION COVERAGE UNDER § 19-505  
21 OF THIS ARTICLE WITHOUT FIRST INFORMING THE HEALTH CARE PROVIDER AND  
22 OBTAINING THE HEALTH CARE PROVIDER'S EXPRESS WRITTEN CONSENT.

23 (2) A CARRIER MAY NOT TERMINATE, LIMIT, OR OTHERWISE IMPAIR THE  
24 CONTRACT OR EMPLOYMENT OF A HEALTH CARE PROVIDER WITH THE CARRIER ON  
25 THE BASIS THAT THE HEALTH CARE PROVIDER REFUSED TO AGREE TO AN  
26 ASSIGNMENT, TRANSFER, OR SUBCONTRACT OF ALL OR PART OF THE HEALTH CARE  
27 PROVIDER'S CONTRACT.

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**Article - Health - General**

29 19-706.

30 (Y) THE PROVISIONS OF § 15-124 OF THE INSURANCE ARTICLE APPLY TO  
31 HEALTH MAINTENANCE ORGANIZATIONS.

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