

SENATE BILL 667

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SB 645/97 - FIN

1998 Regular Session
8lr2156
CF 8lr2155

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

Introduced and read first time: February 10, 1998

Assigned to: Rules

Re-referred to: Finance, February 18, 1998

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 25, 1998

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;~~ 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)

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 15-124.

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

7 (2) (I) "CARRIER" MEANS:

8 ~~(A)~~ 1. AN INSURER;

9 ~~(B)~~ 2. A NONPROFIT HEALTH SERVICE PLAN;

10 ~~(C)~~ 3. A HEALTH MAINTENANCE ORGANIZATION;

11 ~~(D)~~ 4. A DENTAL PLAN ORGANIZATION; OR

12 ~~(E)~~ 5. ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT
13 PLANS SUBJECT TO REGULATION BY THE STATE.

14 (II) "CARRIER" INCLUDES AN ENTITY THAT ARRANGES A PROVIDER
15 PANEL FOR A CARRIER.

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

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

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

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

1

Article - Health - General

2 19-706.

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

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