

SENATE BILL 699

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C3

1998 Regular Session
(8lr2154)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by **Senator Hafer**

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 - 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)

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

1

Article - Insurance

2 15-113.

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

4 (2) "Carrier" means:

5 (i) an insurer;

6 (ii) a nonprofit health service plan;

7 (iii) a health maintenance organization;

8 (iv) a dental plan organization; or

9 (v) any other person that provides health benefit plans subject to
10 regulation by the State.11 (3) "Health care practitioner" means an individual who is licensed,
12 certified, or otherwise authorized under the Health Occupations Article to provide
13 health care services.14 (b) A carrier may not reimburse a health care practitioner in an amount less
15 than the sum or rate negotiated in the carrier's provider contract with the health care
16 practitioner.17 (c) This section does not prohibit a carrier from providing bonuses or other
18 incentive-based compensation to a health care practitioner if the bonus or other
19 incentive-based compensation does not:

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

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

22 (D) (1) A CARRIER THAT COMPENSATES HEALTH CARE PRACTITIONERS
23 WHOLLY OR PARTLY ON A CAPITATED BASIS MAY NOT RETAIN ANY CAPITATED FEE
24 ATTRIBUTABLE TO AN ENROLLEE OR COVERED PERSON DURING AN ENROLLEE'S OR
25 COVERED PERSON'S CONTRACT YEAR.26 (2) A CARRIER IS IN COMPLIANCE WITH PARAGRAPH (1) OF THIS
27 SUBSECTION IF, WITHIN 45 DAYS AFTER AN ENROLLEE OR COVERED PERSON
28 CHOOSES OR OBTAINS HEALTH CARE FROM A HEALTH CARE PRACTITIONER, THE
29 CARRIER PAYS TO THE HEALTH CARE PRACTITIONER ALL ACCRUED BUT UNPAID
30 CAPITATED FEES ATTRIBUTABLE TO THAT ENROLLEE OR PERSON THAT THE HEALTH
31 CARE PRACTITIONER WOULD HAVE RECEIVED HAD THE ENROLLEE OR PERSON
32 CHOSEN THE HEALTH CARE PRACTITIONER ~~AT THE TIME OF ENROLLMENT~~ AT THE
33 BEGINNING OF THE ENROLLEE'S OR COVERED PERSON'S CONTRACT YEAR.34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 1998.

