

SENATE BILL 699

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HB 826/97 - ECM

1998 Regular Session
8lr2154

By: **Senator Hafer**
Introduced and read first time: February 16, 1998
Assigned to: Rules
Re-referred to: Finance, February 19, 1998

Committee Report: Favorable
Senate action: Adopted
Read second time: March 25, 1998

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:

16 **Article - Insurance**

17 15-113.

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

19 (2) "Carrier" means:

20 (i) an insurer;

- 1 (ii) a nonprofit health service plan;
- 2 (iii) a health maintenance organization;
- 3 (iv) a dental plan organization; or
- 4 (v) any other person that provides health benefit plans subject to
5 regulation by the State.

6 (3) "Health care practitioner" means an individual who is licensed,
7 certified, or otherwise authorized under the Health Occupations Article to provide
8 health care services.

9 (b) A carrier may not reimburse a health care practitioner in an amount less
10 than the sum or rate negotiated in the carrier's provider contract with the health care
11 practitioner.

12 (c) This section does not prohibit a carrier from providing bonuses or other
13 incentive-based compensation to a health care practitioner if the bonus or other
14 incentive-based compensation does not:

- 15 (1) violate § 19-705.1 of the Health - General Article; or
- 16 (2) deter the delivery of medically appropriate care to an enrollee.

17 (D) (1) A CARRIER THAT COMPENSATES HEALTH CARE PRACTITIONERS
18 WHOLLY OR PARTLY ON A CAPITATED BASIS MAY NOT RETAIN ANY CAPITATED FEE
19 ATTRIBUTABLE TO AN ENROLLEE OR COVERED PERSON.

20 (2) A CARRIER IS IN COMPLIANCE WITH PARAGRAPH (1) OF THIS
21 SUBSECTION IF, WITHIN 45 DAYS AFTER AN ENROLLEE OR COVERED PERSON
22 CHOOSES OR OBTAINS HEALTH CARE FROM A HEALTH CARE PRACTITIONER, THE
23 CARRIER PAYS TO THE HEALTH CARE PRACTITIONER ALL ACCRUED BUT UNPAID
24 CAPITATED FEES ATTRIBUTABLE TO THAT ENROLLEE OR PERSON THAT THE HEALTH
25 CARE PRACTITIONER WOULD HAVE RECEIVED HAD THE ENROLLEE OR PERSON
26 CHOSEN THE HEALTH CARE PRACTITIONER AT THE TIME OF ENROLLMENT.

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