
By: **Delegates Goldwater and Gordon**
Introduced and read first time: February 4, 1999
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Reimbursements to Health Care Practitioners - Costs of**
3 **Oncology Drugs**

4 FOR the purpose of including the cost of certain supplies and services used by health
5 care practitioners in treating patients under certain circumstances in the cost of
6 oncology drugs that must be reimbursed by carriers; prohibiting carriers from
7 requiring health care practitioners to obtain oncology drugs from a particular
8 source; and generally relating to reimbursement of health care practitioners for
9 the costs of oncology drugs under health insurance.

10 BY repealing and reenacting, with amendments,
11 Article - Insurance
12 Section 15-113
13 Annotated Code of Maryland
14 (1997 Volume and 1998 Supplement)

15 BY repealing and reenacting, without amendments,
16 Article - Health - General
17 Section 19-706(i)
18 Annotated Code of Maryland
19 (1996 Replacement Volume and 1998 Supplement)

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

22 **Article - Insurance**

23 15-113.

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

25 (2) "Carrier" means:

26 (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) Except as provided in paragraph (2) of this subsection, a carrier may
18 not reimburse a health care practitioner in an amount that is less than the cost to the
19 health care practitioner for the cost of an oncology drug covered under the patient's
20 health benefit policy, plan, or certificate used by the health care practitioner in
21 treating a patient in the office of the health care practitioner.

22 (2) A carrier may reimburse a health care practitioner an amount that is
23 less than the cost to the health care practitioner for the cost of an oncology drug used
24 by the health care practitioner in treating a patient in the office of the health care
25 practitioner if the carrier provides an alternative mechanism or program for the
26 health care practitioner to use to obtain the oncology drug.

27 (3) FOR PURPOSES OF THIS SUBSECTION, THE COST OF AN ONCOLOGY
28 DRUG ALSO INCLUDES THE COST OF SUPPLIES AND SERVICES THAT ARE MEDICALLY
29 NECESSARY FOR USE WITH THE ONCOLOGY DRUG IN TREATING A PATIENT IN THE
30 OFFICE OF THE HEALTH CARE PRACTITIONER.

31 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION, A
32 CARRIER MAY NOT REQUIRE A HEALTH CARE PRACTITIONER TO OBTAIN FROM A
33 PARTICULAR SOURCE ANY ONCOLOGY DRUG USED BY THE HEALTH CARE
34 PRACTITIONER IN TREATING A PATIENT IN THE OFFICE OF THE HEALTH CARE
35 PRACTITIONER.

1 (e) (1) A carrier that compensates health care practitioners wholly or partly
2 on a capitated basis may not retain any capitated fee attributable to an enrollee or
3 covered person during an enrollee's or covered person's contract year.

4 (2) A carrier is in compliance with paragraph (1) of this subsection if,
5 within 45 days after an enrollee or covered person chooses or obtains health care from
6 a health care practitioner, the carrier pays to the health care practitioner all accrued
7 but unpaid capitated fees attributable to that enrollee or person that the health care
8 practitioner would have received had the enrollee or person chosen the health care
9 practitioner at the beginning of the enrollee's or covered person's contract year.

10 **Article - Health - General**

11 19-706.

12 (i) The provisions of §§ 15-105, 15-112, 15-113, 15-804, 15-812, 15-826, and
13 15-828 of the Insurance Article shall apply to health maintenance organizations.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 1999.