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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 10, 1999

CHAPTER _____

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 certain health~~
7 ~~insurance carriers from reimbursing a health care practitioner in an amount~~
8 ~~that is less than the cost of certain supplies and administrative services;~~
9 ~~providing for a certain exception; prohibiting carriers from requiring health care~~
10 ~~practitioners to obtain oncology drugs from a particular source; repealing a~~
11 ~~provision that authorizes carriers to reimburse a health care practitioner in an~~
12 ~~amount less than the practitioner's cost under certain circumstances; and~~
13 ~~generally relating to reimbursement of health care practitioners for the costs of~~
14 ~~oncology drugs under health insurance.~~

15 BY repealing and reenacting, with amendments,
16 Article - Insurance
17 Section 15-113
18 Annotated Code of Maryland
19 (1997 Volume and 1998 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article - Health - General
22 Section 19-706(i)
23 Annotated Code of Maryland
24 (1996 Replacement Volume and 1998 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 15-113.

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

6 (2) "Carrier" means:

7 (i) an insurer;

8 (ii) a nonprofit health service plan;

9 (iii) a health maintenance organization;

10 (iv) a dental plan organization; or

11 (v) any other person that provides health benefit plans subject to
12 regulation by the State.

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

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

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

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

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

24 (d) (1) Except as provided in paragraph ~~(2)~~ (3) of this subsection, a carrier
25 may not reimburse a health care practitioner in an amount that is less than the cost
26 to the health care practitioner ~~for the cost~~ of an oncology drug, AND SUPPLIES AND
27 ADMINISTRATIVE SERVICES THAT ARE MEDICALLY NECESSARY FOR USE WITH THE
28 ONCOLOGY DRUG, covered under the patient's health benefit policy, plan, or
29 certificate used by the health care practitioner in treating a patient in the office of the
30 health care practitioner.

31 (2) ~~A carrier may reimburse a health care practitioner an amount that is~~
32 ~~less than the cost to the health care practitioner for the cost of an oncology drug used~~
33 ~~by the health care practitioner in treating a patient in the office of the health care~~

1 practitioner if the carrier provides an alternative mechanism or program for the
2 health care practitioner to use to obtain the oncology drug.

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

7 ~~(4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION, A~~
8 ~~CARRIER MAY NOT REQUIRE A HEALTH CARE PRACTITIONER TO OBTAIN FROM A~~
9 ~~PARTICULAR SOURCE ANY ONCOLOGY DRUG USED BY THE HEALTH CARE~~
10 ~~PRACTITIONER IN TREATING A PATIENT IN THE OFFICE OF THE HEALTH CARE~~
11 ~~PRACTITIONER.~~

12 (3) NOTHING IN THIS SUBSECTION SHALL PROHIBIT A HEALTH CARE
13 PRACTITIONER AND A CARRIER FROM NEGOTIATING A REIMBURSEMENT RATE IN
14 THE CARRIER'S PROVIDER CONTRACT FOR ONCOLOGY DRUGS, SUPPLIES, AND
15 ADMINISTRATIVE SERVICES THAT IS LESS THAN THE AMOUNT REQUIRED UNDER
16 PARAGRAPH (1) OF THIS SUBSECTION.

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

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

26 **Article - Health - General**

27 19-706.

28 (i) The provisions of §§ 15-105, 15-112, 15-113, 15-804, 15-812, 15-826, and
29 15-828 of the Insurance Article shall apply to health maintenance organizations.

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

