

HOUSE BILL 572

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C3

1999 Regular Session
(9r2079)

ENROLLED BILL
-- Economic Matters/Finance --

Introduced by **Delegates Barve and Goldwater**

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.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Health Benefit Plans – Health Care Practitioners – Fee Schedules and**
3 **Coding Guidelines**
4 **Patient Protection Act**

5 FOR the purpose of requiring certain persons that offer health benefit plans to
6 ~~provide certain written information relating to fee schedules and coding~~
7 ~~guidelines to health care practitioners at certain times; and generally relating to~~
8 ~~health benefit plans and health care practitioners~~ *health insurance carriers to*
9 *provide a copy of certain reimbursement schedules, coding guidelines, and the*
10 *methodology used to determine any bonuses or other incentive-based*
11 *compensation under certain circumstances; altering the circumstances under*
12 *which certain health insurance carriers may provide bonuses or other*
13 *incentive-based compensation to a health care practitioner; authorizing the*
14 *Maryland Insurance Administration to adopt certain regulations; and generally*
15 *relating to compensation of health care practitioners by health insurance*
16 *carriers.*

17 BY repealing and reenacting, with amendments,

1 Article - Insurance
 2 Section 15-113
 3 Annotated Code of Maryland
 4 (1997 Volume and 1998 Supplement)

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

7 **Article - Insurance**

8 15-113.

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

10 (2) "Carrier" means:

11 (i) an insurer;

12 (ii) a nonprofit health service plan;

13 (iii) a health maintenance organization;

14 (iv) a dental plan organization; or

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

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

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

23 (c) ~~(1) A CARRIER SHALL PROVIDE A HEALTH CARE PRACTITIONER WITH A
 24 WRITTEN COPY OF:~~

25 ~~(I) THE FEE SCHEDULE THAT IS APPLICABLE TO THAT HEALTH
 26 CARE PRACTITIONER; AND~~

27 ~~(II) THE CODING GUIDELINES TO BE USED BY THE PRACTITIONER
 28 WHEN SUBMITTING CLAIMS TO THE CARRIER FOR REIMBURSEMENT.~~

29 ~~(2) A CARRIER SHALL PROVIDE THE FEE SCHEDULE AND CODING
 30 GUIDELINES REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION:~~

31 ~~(I) AT THE TIME OF CONTRACT EXECUTION OR RENEWAL; AND~~

1 ~~(H)~~ 90 DAYS BEFORE THE CARRIER CHANGES THE FEE SCHEDULE
2 OR CODING GUIDELINES.

3 ~~(I)~~ A SCHEDULE OF APPLICABLE FEES FOR UP TO THE TWENTY
4 MOST COMMON SERVICES BILLED BY A HEALTH CARE PRACTITIONER IN THAT
5 SPECIALTY; AND

6 ~~(II)~~ A DESCRIPTION OF THE CODING GUIDELINES USED BY THE
7 CARRIER THAT ARE APPLICABLE TO THE SERVICES BILLED BY A HEALTH CARE
8 PRACTITIONER IN THAT SPECIALTY.

9 ~~(2)~~ A CARRIER SHALL PROVIDE THE INFORMATION REQUIRED UNDER
10 PARAGRAPH (1) OF THIS SUBSECTION;

11 ~~(I)~~ AT THE TIME OF CONTRACT EXECUTION;

12 ~~(II)~~ 30 DAYS PRIOR TO A CHANGE; AND

13 ~~(III)~~ UPON REQUEST OF THE HEALTH CARE PRACTITIONER.

14 ~~(D)~~ This section does not prohibit a carrier from providing bonuses or other
15 incentive-based compensation to a health care practitioner if the bonus or other
16 incentive-based compensation ~~does not~~:

17 (1) ~~violate~~ COMPLIES WITH THE PROVISIONS OF § 19-705.1 of the
18 Health - General Article; ~~or~~

19 (2) ~~deter~~ PROMOTES the delivery of medically appropriate care to an
20 enrollee; AND

21 (3) EXCEPT FOR THE PROVISION OF PREVENTIVE HEALTH CARE
22 SERVICES, IS NOT BASED ON THE COST, OR NUMBER OF MEDICAL SERVICES
23 PROVIDED, PROPOSED, OR RECOMMENDED BY THE HEALTH CARE PRACTITIONER
24 WITHOUT REFERENCE TO THE MEDICAL APPROPRIATENESS OR NECESSITY OF THE
25 SERVICES.

26 ~~(D)~~ (1) A CARRIER SHALL PROVIDE A HEALTH CARE PRACTITIONER WITH A
27 WRITTEN COPY OF:

28 (I) A SCHEDULE OF APPLICABLE FEES FOR UP TO THE TWENTY
29 MOST COMMON SERVICES BILLED BY A HEALTH CARE PRACTITIONER IN THAT
30 SPECIALTY;

31 (II) A DESCRIPTION OF THE CODING GUIDELINES USED BY THE
32 CARRIER THAT ARE APPLICABLE TO THE SERVICES BILLED BY A HEALTH CARE
33 PRACTITIONER IN THAT SPECIALTY; AND

34 (III) THE INFORMATION ABOUT THE PRACTITIONER AND THE
35 METHODOLOGY THAT THE CARRIER USES TO DETERMINE WHETHER TO:

1 1. INCREASE OR REDUCE THE PRACTITIONER'S LEVEL OF
2 REIMBURSEMENT; AND

3 2. PROVIDE A BONUS OR OTHER INCENTIVE-BASED
4 COMPENSATION TO THE PRACTITIONER.

5 (2) A CARRIER SHALL PROVIDE THE INFORMATION REQUIRED UNDER
6 PARAGRAPH (1) OF THIS SUBSECTION IN EACH OF THE FOLLOWING INSTANCES:

7 (I) AT THE TIME OF CONTRACT EXECUTION;

8 (II) 30 DAYS PRIOR TO A CHANGE; AND

9 (III) UPON REQUEST OF THE HEALTH CARE PRACTITIONER.

10 (3) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT
11 THE PROVISIONS OF THIS SUBSECTION.

12 [(d)] (E) (1) Except as provided in paragraph (2) of this subsection, a carrier
13 may not reimburse a health care practitioner in an amount that is less than the cost
14 to the health care practitioner for the cost of an oncology drug covered under the
15 patient's health benefit policy, plan, or certificate used by the health care practitioner
16 in treating a patient in the office of the health care practitioner.

17 (2) A carrier may reimburse a health care practitioner an amount that is
18 less than the cost to the health care practitioner for the cost of an oncology drug used
19 by the health care practitioner in treating a patient in the office of the health care
20 practitioner if the carrier provides an alternative mechanism or program for the
21 health care practitioner to use to obtain the oncology drug.

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

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

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

