
By: **Delegate Busch**

Rules suspended

Introduced and read first time: March 19, 1999

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, March 22, 1999

Committee Report: Favorable

House action: Adopted

Read second time: March 25, 1999

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Assignment, Transfer, or Subcontracting of Health Care**
3 **Providers' Contracts**

4 FOR the purpose of clarifying that a carrier may not impair the contract or
5 employment of a health care provider with the carrier on the basis that the
6 health care provider refused to participate in a contract to provide care for an
7 insurer that offers personal injury protection; and generally relating to health
8 care provider contracts with carriers.

9 BY repealing and reenacting, with amendments,
10 Article - Insurance
11 Section 15-125
12 Annotated Code of Maryland
13 (1997 Volume and 1998 Supplement)

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 15-125.

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

19 (2) (i) "Carrier" means:

- 1 1. an insurer;
- 2 2. a nonprofit health service plan;
- 3 3. a health maintenance organization;
- 4 4. a dental plan organization; or
- 5 5. any other person that provides health benefit plans
- 6 subject to regulation by the State.

7 (ii) "Carrier" includes an entity that arranges a provider panel for a
8 carrier.

9 (3) "Contract" means the implied or express agreement between a health
10 care provider and carrier, including the rights, obligations, and fee schedule for the
11 provision of health care services.

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

15 (b) (1) A carrier may not in any manner assign, transfer, or subcontract a
16 health care provider's contract, wholly or partly, to an insurer that offers personal
17 injury protection coverage under § 19-505 of this article without first informing the
18 health care provider and obtaining the health care provider's express written consent.

19 (2) A carrier may not terminate, limit, or otherwise impair the contract
20 or employment of a health care provider with the carrier on the basis that the health
21 care provider refused to agree to an assignment, transfer, or subcontract of all or part
22 of the health care provider's contract TO AN INSURER THAT OFFERS PERSONAL
23 INJURY PROTECTION COVERAGE UNDER § 19-505 OF THIS ARTICLE.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 June 1, 1999.