

SENATE BILL 154

Unofficial Copy  
J4

1999 Regular Session  
9lr0791

---

By: **Senators Teitelbaum, Dorman, Exum, Hooper, Bromwell, Astle, Kelley,  
and Roesser**

Introduced and read first time: January 27, 1999

Assigned to: Finance

---

A BILL ENTITLED

1 AN ACT concerning

2 **Health Maintenance Organizations - Termination of Physicians -**  
3 **Notification and Appeal**

4 FOR the purpose of requiring health maintenance organizations to notify a  
5 participating physician of the reason for the physician's termination from the  
6 provider panel of the health maintenance organization; altering the internal  
7 review and grievance process of a health maintenance organization; and  
8 generally relating to the grievance process for participating physicians in health  
9 maintenance organizations.

10 BY repealing and reenacting, with amendments,

11 Article - Insurance

12 Section 15-112(h)

13 Annotated Code of Maryland

14 (1997 Volume and 1998 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Insurance**

18 15-112.

19 (h) (1) Each carrier shall establish an internal review system to resolve  
20 grievances initiated by providers that participate on the carrier's provider panel,  
21 including grievances involving the termination of a provider from participation on the  
22 carrier's provider panel.

23 (2) IF THE GRIEVANCE INVOLVES THE TERMINATION OF A PHYSICIAN  
24 FROM PARTICIPATION ON THE PROVIDER PANEL OF A HEALTH MAINTENANCE  
25 ORGANIZATION, THE HEALTH MAINTENANCE ORGANIZATION SHALL:

1 (I) NOTIFY THE PHYSICIAN OF THE REASON OR REASONS FOR THE  
2 TERMINATION OF THE PHYSICIAN FROM THE HEALTH MAINTENANCE  
3 ORGANIZATION'S PROVIDER PANEL; AND

4 (II) INCLUDE AT LEAST TWO PHYSICIANS OF THE SAME SPECIALTY  
5 AS THE PHYSICIAN WHO IS BEING TERMINATED IN THE INTERNAL REVIEW SYSTEM  
6 ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

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