

SENATE BILL 154

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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

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 9, 1999

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of requiring ~~health maintenance organizations~~ a carrier to notify a
5 participating ~~physician provider~~ of the reason for the ~~physician's provider's~~
6 termination from the provider panel of the ~~health maintenance organization~~
7 carrier; altering the internal review and grievance process of a ~~health~~
8 ~~maintenance organization carrier~~; and generally relating to the ~~grievance~~
9 ~~process for participating physicians in health maintenance organizations~~
10 notification and appeal of a provider who is terminated from participation on a
11 health insurance carrier's provider panel.

12 BY repealing and reenacting, with amendments,
13 Article - Insurance
14 Section 15-112(~~h~~) (b) and (h)
15 Annotated Code of Maryland
16 (1997 Volume and 1998 Supplement)

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

19 **Article - Insurance**

20 15-112.

21 (b) A carrier that uses a provider panel shall establish procedures to:

1 (1) review applications for participation on the carrier's provider panel in
2 accordance with this section;

3 (2) notify an enrollee of:

4 (i) the termination from the carrier's provider panel of the primary
5 care provider that was furnishing health care services to the enrollee; and

6 (ii) the right of the enrollee, on request, to continue to receive
7 health care services from the enrollee's primary care provider for up to 90 days after
8 the date of the notice of termination of the enrollee's primary care provider from the
9 carrier's provider panel, if the termination was for reasons unrelated to fraud, patient
10 abuse, incompetency, or loss of licensure status;

11 (3) notify primary care providers on the carrier's provider panel of the
12 termination of a specialty referral services provider; [and]

13 (4) notify a provider at least 90 days before the date of the termination of
14 the provider from the carrier's provider panel, if the termination is for reasons
15 unrelated to fraud, patient abuse, incompetency, or loss of licensure status; AND

16 (5) PROVIDE NOTICE TO A PROVIDER OF THE CARRIER'S REASON OR
17 REASONS FOR THE TERMINATION OF THE PROVIDER FROM THE CARRIER'S
18 PROVIDER PANEL ALONG WITH A NOTICE OF TERMINATION.

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 A GRIEVANCE INVOLVES THE TERMINATION OF A PHYSICIAN~~
24 ~~PROVIDER FROM PARTICIPATION ON THE PROVIDER PANEL OF A HEALTH~~
25 ~~MAINTENANCE ORGANIZATION, THE HEALTH MAINTENANCE ORGANIZATION SHALL:~~

26 (+) ~~NOTIFY THE PHYSICIAN OF THE REASON OR REASONS FOR THE~~
27 ~~TERMINATION OF THE PHYSICIAN FROM THE HEALTH MAINTENANCE~~
28 ~~ORGANIZATION'S PROVIDER PANEL; AND~~

29 (+) ~~CARRIER, THE CARRIER, FOR ISSUES RELATED TO QUALITY OF~~
30 ~~CARE OR ALLEGATIONS OF UNPROFESSIONAL OR UNETHICAL CONDUCT, SHALL~~
31 ~~INCLUDE AT LEAST TWO PHYSICIANS PROVIDERS OF THE SAME SPECIALTY AS THE~~
32 ~~PHYSICIAN PROVIDER WHO IS BEING TERMINATED IN THE INTERNAL REVIEW~~
33 ~~SYSTEM ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

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

