
By: **Senators Roesser, Collins, and Hollinger**
Introduced and read first time: February 5, 1999
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance Carriers - Compensation of Health Care Practitioners**

3 FOR the purpose of prohibiting an insurance carrier that compensates health care
4 practitioners on a certain basis from charging a practitioner a certain fee as a
5 condition of being on the carrier's provider panel; altering the definition of a
6 certain term; and generally relating to compensation of health care practitioners
7 by insurance carriers.

8 BY repealing and reenacting, with amendments,
9 Article - Insurance
10 Section 15-113
11 Annotated Code of Maryland
12 (1997 Volume and 1998 Supplement)

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

15 **Article - Insurance**

16 15-113.

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

18 (2) "Carrier" means:

19 (i) an insurer;

20 (ii) a nonprofit health service plan;

21 (iii) a health maintenance organization;

22 (iv) a dental plan organization; [or]

23 (V) A PERSON OR ENTITY THAT ACTS AS A THIRD PARTY

24 ADMINISTRATOR; OR

1 [(v)] (VI) any other person that provides health benefit plans
2 subject to regulation by the State.

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

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

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

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

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

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

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

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

27 (2) A CARRIER THAT COMPENSATES HEALTH CARE PRACTITIONERS
28 WHOLLY OR PARTLY ON A CAPITATED BASIS MAY NOT CHARGE A PRACTITIONER OR
29 PRACTITIONER GROUP A FEE OR OTHER FORM OF MONETARY ASSESSMENT AS A
30 CONDITION OF BEING ON THE CARRIER'S PROVIDER PANEL.

31 [(2)] (3) A carrier is in compliance with paragraph (1) of this subsection
32 if, within 45 days after an enrollee or covered person chooses or obtains health care
33 from a health care practitioner, the carrier pays to the health care practitioner all
34 accrued but unpaid capitated fees attributable to that enrollee or person that the
35 health care practitioner would have received had the enrollee or person chosen the
36 health care practitioner at the beginning of the enrollee's or covered person's contract
37 year.

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

