

SENATE BILL 654

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SB 602/99 - FIN

2000 Regular Session
0lr1133

By: **Senator Collins**
Introduced and read first time: February 4, 2000
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 1999 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:

12 (1) complies with the provisions of § 19-705.1 of the Health - General
13 Article;

14 (2) promotes the delivery of medically appropriate care to an enrollee;
15 and

16 (3) except for the provision of preventive health care services, is not
17 based on the cost, or number of medical services provided, proposed, or recommended
18 by the health care practitioner without reference to the medical appropriateness or
19 necessity of the services.

20 (d) (1) A carrier shall provide a health care practitioner with a written copy
21 of:

22 (i) a schedule of applicable fees for up to the twenty most common
23 services billed by a health care practitioner in that specialty;

24 (ii) a description of the coding guidelines used by the carrier that
25 are applicable to the services billed by a health care practitioner in that specialty; and

26 (iii) the information about the practitioner and the methodology
27 that the carrier uses to determine whether to:

28 1. increase or reduce the practitioner's level of
29 reimbursement; and

30 2. provide a bonus or other incentive-based compensation to
31 the practitioner.

32 (2) A carrier shall provide the information required under paragraph (1)
33 of this subsection in each of the following instances:

34 (i) at the time of contract execution;

35 (ii) 30 days prior to a change; and

1 (iii) upon request of the health care practitioner.

2 (3) The Administration may adopt regulations to carry out the provisions
3 of this subsection.

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

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

11 [(2)] (3) A carrier is in compliance with paragraph (1) of this subsection
12 if, within 45 days after an enrollee or covered person chooses or obtains health care
13 from a health care practitioner, the carrier pays to the health care practitioner all
14 accrued but unpaid capitated fees attributable to that enrollee or person that the
15 health care practitioner would have received had the enrollee or person chosen the
16 health care practitioner at the beginning of the enrollee's or covered person's contract
17 year.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2000.