

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE  
Revised

House Bill 559 (Delegate Barve. *et al.*)

Economic Matters

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**Health Insurance - Requirements for Providers to Serve on Provider Panels**

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This bill prohibits a health insurer, nonprofit health service plan, or HMO (carrier) that contracts with health care providers through one or more provider panels from requiring a provider, as a condition of participation or continuation on a provider panel, to serve on another of the carrier's health benefit plan provider panels. The bill provides that a carrier that offers health care services as a Medicaid managed care organization (MCO) may require providers to serve on their MCO provider panel. The definition of "provider panel" is extended to include arrangements in which a provider participates solely by contracting with the carrier to provide health care services at a discounted fee-for-service rate.

This bill also requires a provider that terminates its participation on a provider panel to notify the carrier at least 90 days before termination and to provide health care services for 90 days after giving notice of termination to any enrollees for whom the provider was responsible.

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**Fiscal Summary**

**State Effect:** Any additional carrier contract filings with the Maryland Insurance Administration could be handled with existing budgeted resources. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

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**Analysis**

**Current Law:** There is no prohibition against a carrier's requiring a provider to serve on more than one provider panel.

**Small Business Effect:** The bill's requirements could give small business health care providers more flexibility to choose the provider panels on which they would serve. This may impact the type of patients they serve, which, in turn, may affect their revenues.

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### **Additional Information**

**Prior Introductions:** Identical bills were introduced in the 1998 session, SB 326 and HB 1387. SB 326 received an unfavorable report from the Senate Finance Committee. HB 1387 received an unfavorable report from the House Economic Matters Committee.

**Cross File:** SB 295 (Senator Roesser, *et al.*) - Finance.

**Information Source(s):** Department of Budget and Management (Employee Benefits Division), Maryland Insurance Administration, Department of Health and Mental Hygiene (Health Care Commission, Board of Physician Quality Assurance), Department of Legislative Services

**Fiscal Note History:** First Reader - February 10, 2000  
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