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Introduced and read first time: February 9, 2001

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Requirements for Provider Panels**

3 FOR the purpose of requiring a primary care provider who refers an enrollee to a
4 specialist to indicate on the referral form to the specialist the maximum
5 acceptable waiting period for a referral visit; requiring a carrier to ensure that
6 its provider panel has sufficient providers to allow an enrollee to be seen by a
7 specialist within the maximum acceptable waiting period indicated by the
8 enrollee's primary care provider; requiring a carrier to allow an enrollee to see
9 an out-of-network provider at the expense of the carrier under certain
10 circumstances; and generally relating to a requirement that a carrier have
11 sufficient providers to allow an enrollee to be seen within an acceptable waiting
12 period.

13 BY repealing and reenacting, with amendments,
14 Article - Insurance
15 Section 15-112
16 Annotated Code of Maryland
17 (1997 Volume and 2000 Supplement)

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

20 **Article - Insurance**

21 15-112.

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

23 (2) (i) "Carrier" means:

24 1. an insurer;

25 2. a nonprofit health service plan;

- 1 3. a health maintenance organization;
- 2 4. a dental plan organization; or
- 3 5. any other person that provides health benefit plans
- 4 subject to regulation by the State.

5 (ii) "Carrier" includes an entity that arranges a provider panel for a
6 carrier.

7 (3) "Enrollee" means a person entitled to health care benefits from a
8 carrier.

9 (4) "Provider" means a health care practitioner or group of health care
10 practitioners licensed, certified, or otherwise authorized by law to provide health care
11 services.

12 (5) (i) "Provider panel" means the providers that contract either
13 directly or through a subcontracting entity with a carrier to provide health care
14 services to the carrier's enrollees under the carrier's health benefit plan.

15 (ii) "Provider panel" does not include an arrangement in which any
16 provider may participate solely by contracting with the carrier to provide health care
17 services at a discounted fee-for-service rate.

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

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

21 (2) notify an enrollee of:

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

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

29 (3) notify primary care providers on the carrier's provider panel of the
30 termination of a specialty referral services provider; and

31 (4) notify a provider at least 90 days before the date of the termination of
32 the provider from the carrier's provider panel, if the termination is for reasons
33 unrelated to fraud, patient abuse, incompetency, or loss of licensure status.

34 (c) A carrier that uses a provider panel:

1 (1) on request, shall provide an application and information that relates
2 to consideration for participation on the carrier's provider panel to any provider
3 seeking to apply for participation;

4 (2) shall make publicly available its application; and

5 (3) shall make efforts to increase the opportunity for a broad range of
6 minority providers to participate on the carrier's provider panel.

7 (d) (1) A provider that seeks to participate on a provider panel of a carrier
8 shall submit an application to the carrier.

9 (2) (i) Subject to paragraph (3) of this subsection, the carrier, after
10 reviewing the application, shall accept or reject the provider for participation on the
11 carrier's provider panel.

12 (ii) If the carrier rejects the provider for participation on the
13 carrier's provider panel, the carrier shall send to the provider at the address listed in
14 the application written notice of the rejection.

15 (3) (i) Except as provided in paragraph (4) of this subsection, within
16 30 days after the date a carrier receives a completed application, the carrier shall
17 send to the provider at the address listed in the application written notice of:

18 1. the carrier's intent to continue to process the provider's
19 application to obtain necessary credentialing information; or

20 2. the carrier's rejection of the provider for participation on
21 the carrier's provider panel.

22 (ii) The failure of a carrier to provide the notice required under
23 subparagraph (i) of this paragraph is a violation of this article and the carrier is
24 subject to the penalties provided by § 4-113(d) of this article.

25 (iii) If, under subparagraph (i)1 of this paragraph, a carrier provides
26 notice to the provider of its intent to continue to process the provider's application to
27 obtain necessary credentialing information, the carrier, within 150 days after the date
28 the notice is provided, shall:

29 1. accept or reject the provider for participation on the
30 carrier's provider panel; and

31 2. send written notice of the acceptance or rejection to the
32 provider at the address listed in the application.

33 (iv) The failure of a carrier to provide the notice required under
34 subparagraph (iii)2 of this paragraph is a violation of this article and the carrier is
35 subject to the provisions of and penalties provided by §§ 4-113 and 4-114 of this
36 article.

1 (4) (i) A carrier that receives an incomplete application shall return
2 the application to the provider at the address listed in the application within 10 days
3 after the date the application is received.

4 (ii) The carrier shall indicate to the provider what information is
5 needed to make the application complete.

6 (iii) The provider may return the completed application to the
7 carrier.

8 (iv) After the carrier receives the completed application, the carrier
9 is subject to the time periods established in paragraph (3) of this subsection.

10 (5) A carrier may charge a reasonable fee for an application submitted to
11 the carrier under this section.

12 (e) A carrier may not deny an application for participation or terminate
13 participation on its provider panel on the basis of:

14 (1) gender, race, age, religion, national origin, or a protected category
15 under the federal Americans with Disabilities Act;

16 (2) the type or number of appeals that the provider files under Subtitle
17 10B of this title;

18 (3) the number of grievances or complaints that the provider files on
19 behalf of a patient under Subtitle 10A of this title; or

20 (4) the type or number of complaints or grievances that the provider files
21 or requests for review under the carrier's internal review system established under
22 subsection (h) of this section.

23 (f) (1) A carrier may not deny an application for participation or terminate
24 participation on its provider panel solely on the basis of the license, certification, or
25 other authorization of the provider to provide health care services if the carrier
26 provides health care services within the provider's lawful scope of practice.

27 (2) Notwithstanding paragraph (1) of this subsection, a carrier may
28 reject an application for participation or terminate participation on its provider panel
29 based on the participation on the provider panel of a sufficient number of similarly
30 qualified providers.

31 (3) A violation of this subsection does not create a new cause of action.

32 (G) (1) A PRIMARY CARE PROVIDER WHO REFERS AN ENROLLEE TO A
33 SPECIALIST SHALL INDICATE ON THE REFERRAL FORM THE MAXIMUM ACCEPTABLE
34 WAITING PERIOD FOR A REFERRAL VISIT.

35 (2) EACH CARRIER SHALL ENSURE THAT THE CARRIER'S PROVIDER
36 PANEL HAS SUFFICIENT PROVIDERS TO ALLOW AN ENROLLEE TO BE SEEN BY A

1 SPECIALIST IN THE TIME SET BY THE PROVIDER IN PARAGRAPH (1) OF THIS
2 SUBSECTION.

3 (3) IF AN ENROLLEE CANNOT BE SEEN BY A SPECIALIST ON THE
4 CARRIER'S PROVIDER PANEL WITHIN THE TIME SET BY THE PRIMARY CARE
5 PROVIDER, THE ENROLLEE SHALL BE ALLOWED TO SEE AN OUT-OF-NETWORK
6 PROVIDER AND ANY ADDITIONAL COST INCURRED SHALL BE PAID BY THE CARRIER.

7 [(g)] (H) A carrier may not terminate participation on its provider panel or
8 otherwise penalize a provider for:

9 (1) advocating the interests of a patient through the carrier's internal
10 review system established under subsection (h) of this section;

11 (2) filing an appeal under Subtitle 10B of this title; or

12 (3) filing a grievance or complaint on behalf of a patient under Subtitle
13 10A of this title.

14 [(h)] (I) Each carrier shall establish an internal review system to resolve
15 grievances initiated by providers that participate on the carrier's provider panel,
16 including grievances involving the termination of a provider from participation on the
17 carrier's provider panel.

18 [(i)] (J) (1) For at least 90 days after the date of the notice of termination of
19 a primary care provider from a carrier's provider panel for reasons unrelated to fraud,
20 patient abuse, incompetency, or loss of licensure status, the primary care provider
21 shall furnish health care services to each enrollee:

22 (i) who was receiving health care services from the primary care
23 provider before the notice of termination; and

24 (ii) who, after receiving notice under subsection (b) of this section of
25 the termination of the primary care provider, requests to continue receiving health
26 care services from the primary care provider.

27 (2) A carrier shall reimburse a primary care provider that furnishes
28 health care services under this subsection in accordance with the primary care
29 provider's agreement with the carrier.

30 [(j)] (K) (1) A carrier shall provide to an enrollee at the time of initial
31 enrollment:

32 (i) a printed list of providers on the carrier's provider panel; and

33 (ii) printed information on providers that are no longer accepting
34 new patients.

1 (2) A carrier shall make available to prospective enrollees and notify
2 each existing enrollee at the time of renewal about how to obtain the following
3 information on the Internet and in printed form:

4 (i) a list of providers on the carrier's provider panel; and

5 (ii) information on providers that are no longer accepting new
6 patients.

7 (3) (i) Information provided in printed form under paragraphs (1) and
8 (2) of this subsection shall be updated at least once a year.

9 (ii) Information provided on the Internet under paragraph (2) of
10 this subsection shall be updated at least once every 15 days.

11 (4) A policy, certificate, or other evidence of coverage shall:

12 (i) indicate clearly the office in the Administration that is
13 responsible for receiving and responding to complaints from enrollees about carriers;
14 and

15 (ii) include the telephone number of the office and the procedure for
16 filing a complaint.

17 [(k)] (L) The Commissioner:

18 (1) shall adopt regulations that relate to the procedures that carriers
19 must use to process applications for participation on a provider panel; and

20 (2) in consultation with the Secretary of Health and Mental Hygiene,
21 shall adopt strategies to assist carriers in maximizing the opportunity for a broad
22 range of minority providers to participate in the delivery of health care services.

23 [(l)] (M) (1) (i) In this subsection the following words have the meanings
24 indicated.

25 (ii) "Health benefit plan" has the meaning stated in § 15-1201 of
26 this title.

27 (iii) "Provider panel" includes an arrangement in which any
28 provider may participate solely by contracting with the carrier to provide health care
29 services at a discounted fee-for-service rate.

30 (2) Except as provided in paragraph (3) of this subsection, a carrier that
31 offers coverage for health care services through one or more health benefit plans or
32 contracts with providers to offer health care services through one or more provider
33 panels may not require a provider, as a condition of participation or continuation on a
34 provider panel for one health benefit plan of a carrier, to serve also on a provider
35 panel of another health benefit plan of the carrier.

1 (3) Subject to § 15-102.5 of the Health - General Article, a carrier that
2 offers health care services as a managed care organization as defined under §
3 15-101(f) of the Health - General Article, may require a provider, as a condition of
4 participation on a provider panel for one or more health benefit plans of the carrier, to
5 serve on a provider panel of the managed care organization.

6 (4) If a provider elects to terminate participation on the provider panel of
7 a health benefit plan, the provider shall:

8 (i) notify the carrier at least 90 days before the date of termination;
9 and

10 (ii) for at least 90 days after the date of the notice of termination,
11 continue to furnish health care services to an enrollee of the carrier for whom the
12 provider was responsible for the delivery of health care services prior to the notice of
13 termination.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2001.