
By: ~~Delegate Donoghue~~ Delegates Donoghue, Barve, Eckardt, Goldwater,
Gordon, Hill, Kach, Krysiak, Love, Moe, and Pendergrass

Introduced and read first time: February 7, 2002

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 2002

CHAPTER _____

1 AN ACT concerning

2 ~~Health Maintenance Organizations-- Reimbursement of Noncontracting~~
3 Health Care Providers

4 FOR the purpose of identifying a certain rate that health maintenance organizations
5 pay to certain health care providers; repealing an obsolete reference; repealing
6 extending the termination date of a certain provision requiring a health
7 maintenance organization to reimburse certain health care providers at a
8 certain rate and to disclose certain information under certain circumstances;
9 ~~repealing~~ extending the termination date of a certain provision authorizing
10 certain health care providers to enforce a certain law by a certain means;
11 ~~repealing~~ extending the termination of a provision requiring a health
12 maintenance organization to reimburse certain trauma physicians at a certain
13 rate in a certain manner; requiring the Maryland Health Care Commission and
14 the Health Services Cost Review Commission to conduct a certain study and
15 present findings and recommendations from the study to the House Economic
16 Matters and Senate Finance Committees on or before a certain date; specifying
17 certain issues about which the Commissions must make recommendations;
18 specifying a certain intent of the General Assembly that certain licensed entities
19 and individuals cooperate with the Commissions in a certain manner; and
20 generally relating to health maintenance organizations and health care provider
21 reimbursement.

22 BY repealing and reenacting, with amendments,

23 Article - Health - General

24 Section 19-710.1(b)

25 Annotated Code of Maryland

1 (2000 Replacement Volume and 2001 Supplement)

2 BY repealing and reenacting, with amendments,
3 Chapter 275 of the Acts of the General Assembly of 2000
4 Section 5

5 BY repealing and reenacting, with amendments,
6 Chapter 423 of the Acts of the General Assembly of 2001
7 Section 3

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

10 **Article - Health - General**

11 19-710.1.

12 (b) (1) In addition to any other provisions of this subtitle, for a covered
13 service rendered to an enrollee of a health maintenance organization by a health care
14 provider not under written contract with the health maintenance organization, the
15 health maintenance organization or its agent:

16 (i) Shall pay the health care provider within 30 days after the
17 receipt of a claim in accordance with the applicable provisions of this subtitle; and

18 (ii) Shall pay the claim submitted by:

19 1. A hospital at the rate approved by the Health Services
20 Cost Review Commission;

21 2. A trauma physician for trauma care rendered to a trauma
22 patient in a trauma center, at the greater of:

23 A. 140% of the rate paid by the Medicare program, as
24 published by the [Health Care Financing Administration] CENTERS FOR MEDICARE
25 AND MEDICAID SERVICES, for the same covered service, to a similarly licensed
26 provider; or

27 B. The rate as of January 1, 2001 that the health
28 maintenance organization paid in the same geographic area, AS PUBLISHED BY THE
29 CENTERS FOR MEDICARE AND MEDICAID SERVICES for the same covered service, to a
30 similarly licensed provider; and

31 3. Any other health care provider at the greater of:

32 A. 125% of the rate the health maintenance organization
33 pays in the same geographic area, AS PUBLISHED BY THE CENTERS FOR MEDICARE
34 AND MEDICAID SERVICES for the same covered service, to a similarly licensed
35 provider under written contract with the health maintenance organization; or

1 B. The rate as of January 1, 2000 that the health
 2 maintenance organization paid in the same geographic area, AS PUBLISHED BY THE
 3 CENTERS FOR MEDICARE AND MEDICAID SERVICES for the same covered service, to a
 4 similarly licensed provider not under written contract with the health maintenance
 5 organization.

6 (2) A health maintenance organization shall disclose, on request of a
 7 health care provider not under written contract with the health maintenance
 8 organization, the reimbursement rate required under paragraph (1)(i)2 and 3 of this
 9 subsection.

10 (3) (i) Subject to subparagraph (ii) of this paragraph, a health
 11 maintenance organization may require a trauma physician not under contract with
 12 the health maintenance organization to submit appropriate adjunct claims
 13 documentation and to include on the uniform claim form a provider number assigned
 14 to the trauma physician by the health maintenance organization.

15 (ii) If a health maintenance organization requires a trauma
 16 physician to include a provider number on the uniform claim form in accordance with
 17 subparagraph (i) of this paragraph, the health maintenance organization shall assign
 18 a provider number to a trauma physician not under contract with the health
 19 maintenance organization at the request of the physician.

20 (4) A trauma center, on request from a health maintenance organization,
 21 shall verify that a licensed physician is credentialed or otherwise designated by the
 22 trauma center to provide trauma care.

23 **Chapter 275 of the Acts of 2000**

24 SECTION 5. AND BE IT FURTHER ENACTED, That Sections 2 and 4 of this
 25 Act shall take effect October 1, 2000. ~~{Sections 2 and 4 of this Act shall remain~~
 26 ~~effective for a period of 1 year and 9 months and, at the end of June 30, 2002, 2005,~~
 27 with no further action required by the General Assembly, Sections 2 and 4 of this Act
 28 shall be abrogated and of no further force and effect.}

29 **Chapter 423 of the Acts of 2001**

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 31 October 1, 2001. {It shall remain effective until the taking effect of the termination
 32 provision specified in Section 5 of Chapter 275 of the Acts of the General Assembly of
 33 2000. If that termination provision takes effect, this Act shall be abrogated and of no
 34 further force and effect. This Act may not be interpreted to have any effect on that
 35 termination provision.}

36 SECTION 2. AND BE IT FURTHER ENACTED, That:

37 (a) The Maryland Health Care Commission and the Health Services Cost
 38 Review Commission shall jointly study and make recommendations to the House

1 Economic Matters and Senate Finance Committees regarding health care provider
2 reimbursements by commercial insurers and self-pay patients in the State.

3 (b) In performing the study, the Commissions shall develop recommendations
4 on the following issues:

5 (i) whether the State should maintain a prohibition against the balance
6 billing of health maintenance organization subscribers for noncovered services;

7 (ii) the feasibility and desirability of the development of a provider rate
8 setting system that would establish both minimum and maximum reimbursement
9 levels for health care services delivered in the State;

10 (iii) the feasibility and desirability of expanding the hospital rate setting
11 system to include reimbursement of hospital-based physicians;

12 (iv) the feasibility of establishing an uncompensated care fund to
13 subsidize reimbursements to providers that deliver a disproportionate amount of
14 uncompensated care to State residents, including emergency room physicians,
15 trauma physicians, hospital-based physicians, and other health care providers as
16 determined by the Commissions;

17 (v) the prevalence of and justifications for health care provider
18 reimbursement methodologies employed by commercial insurance carriers that are
19 based on provider licensure; and

20 (vi) the level of reimbursement provided by commercial payers in the
21 State as a percentage of provider costs compared to reimbursement provided by public
22 payers as a percentage of provider costs;

23 (c) It is the intent of the General Assembly that licensed entities and
24 individuals including health insurers, nonprofit health service plans, health
25 maintenance organizations, hospitals, physicians, and nonphysician providers
26 cooperate with the Commissions in the execution of the study by providing data in a
27 timely and complete manner.

28 (d) The findings and recommendations of the study shall be presented, subject
29 to § 2-1246 of the State Government Article, to the House Economic Matters
30 Committee and Senate Finance Committee on or before January 1, 2004.

31 SECTION 2, 3. AND BE IT FURTHER ENACTED, That this Act shall take
32 effect June 1, 2002.

