

SENATE BILL 466

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C3

2002 Regular Session  
(2r2040)

**ENROLLED BILL**  
-- Finance/Economic Matters --

Introduced by **Senator Astle**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **~~Health Maintenance Organizations~~ - Reimbursement of ~~Nonecontracting~~**  
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;

1 specifying a certain intent of the General Assembly that certain licensed entities  
 2 and individuals cooperate with the Commissions in a certain manner; requiring  
 3 the State Board of Nursing, in consultation with representatives of certain health  
 4 maintenance organizations, to study and report to the Senate Finance and House  
 5 Environmental Matters Committees on certain issues concerning nurse  
 6 practitioners; and generally relating to health maintenance organizations and  
 7 health care provider reimbursement.

8 BY repealing and reenacting, with amendments,  
 9 Article - Health - General  
 10 Section 19-710.1(b)  
 11 Annotated Code of Maryland  
 12 (2000 Replacement Volume and 2001 Supplement)

13 BY repealing and reenacting, with amendments,  
 14 Chapter 275 of the Acts of the General Assembly of 2000  
 15 Section 5

16 BY repealing and reenacting, ~~with~~ *without* amendments,  
 17 Chapter 423 of the Acts of the General Assembly of 2001  
 18 Section 3

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

21 **Article - Health - General**

22 19-710.1.

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

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

29 (ii) Shall pay the claim submitted by:

30 1. A hospital at the rate approved by the Health Services  
 31 Cost Review Commission;

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

34 A. 140% of the rate paid by the Medicare program, as  
 35 published by the [Health Care Financing Administration] CENTERS FOR MEDICARE

1 & MEDICAID SERVICES, for the same covered service, to a similarly licensed provider;  
 2 or

3 B. The rate as of January 1, 2001 that the health  
 4 maintenance organization paid in the same geographic area, AS PUBLISHED BY THE  
 5 CENTERS FOR MEDICARE & MEDICAID SERVICES, for the same covered service, to a  
 6 similarly licensed provider; and

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

8 A. 125% of the rate the health maintenance organization  
 9 pays in the same geographic area, AS PUBLISHED BY THE CENTERS FOR MEDICARE &  
 10 MEDICAID SERVICES, for the same covered service, to a similarly licensed provider  
 11 under written contract with the health maintenance organization; or

12 B. The rate as of January 1, 2000 that the health  
 13 maintenance organization paid in the same geographic area, AS PUBLISHED BY THE  
 14 CENTERS FOR MEDICARE & MEDICAID SERVICES, for the same covered service, to a  
 15 similarly licensed provider not under written contract with the health maintenance  
 16 organization.

17 (2) A health maintenance organization shall disclose, on request of a  
 18 health care provider not under written contract with the health maintenance  
 19 organization, the reimbursement rate required under paragraph (1)(ii)2 and 3 of this  
 20 subsection.

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

26 (ii) If a health maintenance organization requires a trauma  
 27 physician to include a provider number on the uniform claim form in accordance with  
 28 subparagraph (i) of this paragraph, the health maintenance organization shall assign  
 29 a provider number to a trauma physician not under contract with the health  
 30 maintenance organization at the request of the physician.

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

### 34 **Chapter 275 of the Acts of 2000**

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

## Chapter 423 of the Acts of 2001

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

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Health Care Commission and the Health Services Cost Review Commission shall jointly study and make recommendations to the House Economic Matters and Senate Finance Committees regarding health care provider reimbursements by commercial insurers, including health maintenance organizations, and self-pay patients in the State.

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

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

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

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

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

(v) the prevalence of health care provider reimbursement methodologies employed by commercial insurance carriers, including health maintenance organizations, that are based on provider licensor; and

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

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

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

4       SECTION 3. AND BE IT FURTHER ENACTED, That, on or before January 1,  
5 2003, the Board of Nursing, in consultation with representatives of health  
6 maintenance organizations that operate in the State, shall report in accordance with §  
7 2-1246 of the State Government Article, to the Senate Finance Committee and House  
8 Environmental Matters Committee on whether health maintenance organizations in  
9 the State should:

10               (1)       individually credential nurse practitioners; and

11               (2)       allow for the designation by a member or subscriber of a nurse  
12 practitioner as a primary care provider.

13       SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take  
14 effect June 1, 2002.