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By: **Senator Astle**

Introduced and read first time: February 6, 2004

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Maintenance Organizations - Reimbursement of Health Care**  
3 **Providers - Covered Services**

4 FOR the purpose of repealing provisions of law on the liability of individual enrollees  
5 and subscribers of health maintenance organizations to health care providers  
6 for covered services; repealing prohibitions on health care providers or their  
7 representatives from collecting or attempting to collect from a subscriber or  
8 enrollee, or maintaining any action to collect, any money owed to the health care  
9 provider by a health maintenance organization; repealing provisions of law  
10 requiring a health maintenance organization to pay a health care provider not  
11 under written contract with the health maintenance organization for a covered  
12 service rendered to an enrollee in a certain manner; repealing provisions of law  
13 on reimbursement of trauma physicians not under contract with the health  
14 maintenance organization; repealing the authority of a health maintenance  
15 organization to seek reimbursement from an enrollee under certain  
16 circumstances; repealing certain enforcement provisions; repealing a certain  
17 penalty; altering a certain definition; and generally relating to reimbursement  
18 of health care providers for services covered by health maintenance  
19 organizations.

20 BY repealing and reenacting, without amendments,  
21 Article - Health - General  
22 Section 19-701(a)  
23 Annotated Code of Maryland  
24 (2000 Replacement Volume and 2003 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article - Health - General  
27 Section 19-701(d)  
28 Annotated Code of Maryland  
29 (2000 Replacement Volume and 2003 Supplement)

30 BY repealing  
31 Article - Health - General

1 Section 19-710(p) and 19-710.1  
2 Annotated Code of Maryland  
3 (2000 Replacement Volume and 2003 Supplement)

4 BY renumbering  
5 Article - Health - General  
6 Section 19-710(q) through (t), respectively  
7 to be Section 19-710(p) through (s), respectively  
8 Annotated Code of Maryland  
9 (2000 Replacement Volume and 2003 Supplement)

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

12 **Article - Health - General**

13 19-701.

14 (a) In this subtitle the following words have the meanings indicated.

15 (d) "Covered service" means a health care service included in the benefit  
16 package of the health maintenance organization and rendered to a member or  
17 subscriber of the health maintenance organization by:

18 (1) A provider under contract with the health maintenance organization,  
19 when the service is obtained in accordance with the terms of the benefit contract of  
20 the member or subscriber; or

21 (2) A noncontracting provider [under § 19-710.1 of this subtitle], when  
22 the service is:

23 (i) Obtained in accordance with the terms of the benefit contract of  
24 the member or subscriber;

25 (ii) Obtained pursuant to a verbal or written referral by:

26 1. The health maintenance organization of the member or  
27 subscriber; or

28 2. A provider under written contract with the health  
29 maintenance organization of the member or subscriber; or

30 (iii) Preauthorized or otherwise approved either verbally or in  
31 writing by:

32 1. The health maintenance organization of the member or  
33 subscriber; or



1 (ii) "Trauma center" includes an out-of-state pediatric facility that  
2 has entered into an agreement with the institute to provide care to trauma patients.

3 (6) "Trauma patient" means a patient that is evaluated or treated in a  
4 trauma center and is entered into the State trauma registry as a trauma patient.

5 (7) "Trauma physician" means a licensed physician who has been  
6 credentialed or designated by a trauma center to provide care to a trauma patient at  
7 a trauma center.

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

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

14 (ii) Shall pay the claim submitted by:

15 1. A hospital at the rate approved by the Health Services  
16 Cost Review Commission;

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

19 A. 140% of the rate paid by the Medicare program, as  
20 published by the Centers for Medicare and Medicaid Services, for the same covered  
21 service, to a similarly licensed provider; or

22 B. The rate as of January 1, 2001 that the health  
23 maintenance organization paid in the same geographic area, as published by the  
24 Centers for Medicare and Medicaid Services, for the same covered service, to a  
25 similarly licensed provider; and

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

27 A. 125% of the rate the health maintenance organization  
28 pays in the same geographic area, as published by the Centers for Medicare and  
29 Medicaid Services, for the same covered service, to a similarly licensed provider under  
30 written contract with the health maintenance organization; or

31 B. The rate as of January 1, 2000 that the health  
32 maintenance organization paid in the same geographic area, as published by the  
33 Centers for Medicare and Medicaid Services, for the same covered service, to a  
34 similarly licensed provider not under written contract with the health maintenance  
35 organization.

36 (2) A health maintenance organization shall disclose, on request of a  
37 health care provider not under written contract with the health maintenance

1 organization, the reimbursement rate required under paragraph (1)(ii)2 and 3 of this  
2 subsection.

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

8 (ii) If a health maintenance organization requires a trauma  
9 physician to include a provider number on the uniform claim form in accordance with  
10 subparagraph (i) of this paragraph, the health maintenance organization shall assign  
11 a provider number to a trauma physician not under contract with the health  
12 maintenance organization at the request of the physician.

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

16 (5) Notwithstanding the provisions of § 19-701(d) of this subtitle, for  
17 trauma care rendered to a trauma patient in a trauma center by a trauma physician,  
18 a health maintenance organization may not require a referral or preauthorization for  
19 a service to be covered.

20 (c) (1) A health maintenance organization may seek reimbursement from an  
21 enrollee for any payment under subsection (b) of this section for a claim or portion of  
22 a claim submitted by a health care provider and paid by the health maintenance  
23 organization that the health maintenance organization determines is the  
24 responsibility of the enrollee.

25 (2) The health maintenance organization may request and the health  
26 care provider shall provide adjunct claims documentation to assist in making the  
27 determination under paragraph (1) of this subsection or under subsection (b) of this  
28 section.

29 (d) (1) A health care provider may enforce the provisions of this section by  
30 filing a complaint against a health maintenance organization with the Maryland  
31 Insurance Administration or by filing a civil action in a court of competent  
32 jurisdiction under § 1-501 or § 4-201 of the Courts Article.

33 (2) The Maryland Insurance Administration or a court shall award  
34 reasonable attorney fees if the complaint of the health care provider is sustained.

35 (e) In addition to any other penalties under this subtitle, the Commissioner  
36 may impose a penalty not to exceed \$5,000 on any health maintenance organization  
37 which violates the provisions of this section if the violation is committed with such  
38 frequency as to indicate a general business practice of the health maintenance  
39 organization.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 19-710(q)  
2 through (t), respectively, of Article - Health - General of the Annotated Code of  
3 Maryland be renumbered to be Section(s) 19-710(p) through (s), respectively.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2004.