

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

**FISCAL AND POLICY NOTE**

House Bill 1395 (Delegate Barve)  
Health and Government Operations

---

**Health Insurance - Participation of Providers on Multiple Provider Panels**

---

This bill clarifies provider contract provisions requiring health care providers to participate on one or more provider panels.

---

**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:** Minimal.

---

**Analysis**

**Bill Summary:** A carrier, a carrier's affiliate, or an entity that arranges a provider panel may not include in a provider contract a provision that requires the provider, as a condition of participation on one provider panel, to participate on another provider panel unless the provider contract specifies the provider may refuse participation on one or more provider panels of a specific carrier, and may refuse participation on one or more provider panels of one or more specific carriers.

If a provider elects to terminate participation on a provider panel, the provider must notify the carrier at least 90 days before the date of termination, and for at least 90 days after the date of notice, continue to furnish health care services to an enrollee. A carrier

is responsible for violations of the bill's provisions regardless of whether the carrier has subcontracted with an affiliate or entity that arranges a provider panel.

**Current Law:** A carrier that offers coverage for health care services through one or more health benefit plans, or contracts with providers to offer health care services through one or more provider panels, may not require a provider, as a condition of participation, to also serve on a provider panel of another of the carrier's health benefit plans. An exception is made for a carrier that also serves as a Medicaid managed care organization (MCO). This type of carrier may require a provider, as a condition of participation on a provider panel, to serve on an MCO provider panel.

**Background:** In the past, carriers would require, as a condition of participation on one provider panel, that a provider must participate in other provider panels. Provider panels can be beneficial to providers, who receive referrals or additional patients through carriers with which they contract. Carriers began requiring certain health care providers, as a condition of participating on one panel, to participate on others, which may have caused administrative or financial burdens for certain providers. As a result, Chapters 253 and 254 of 2000 prohibited carriers from requiring provider panel participation. However, there are some carrier affiliates or entities that arrange provider panels and have been requiring provider participation on more than one provider panel.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2004  
mam/jr

---

Analysis by: Susan D. John

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510