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By: **Delegate Donoghue**

Introduced and read first time: February 10, 2005

Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Health Care Provider Credentialing Process**

3 FOR the purpose of requiring a health insurance carrier or its credentialing  
4 intermediary to provide certain notifications regarding a credentialing form to a  
5 health care provider under certain circumstances; requiring a carrier or its  
6 credentialing intermediary to complete the credentialing or recredentialing  
7 process within a certain period of time; requiring a carrier to continue to  
8 credential a health care provider under certain circumstances; requiring a  
9 written notice of a certain change to include certain information; providing that  
10 a carrier or its credentialing intermediary may not be required to contract with,  
11 initially credential, or recredential a health care provider if there has been a  
12 material change in the provider's credentialing information; providing that  
13 certain information may not be considered a material change; requiring a  
14 carrier to pay or reimburse a health care provider in accordance with a certain  
15 agreement and starting from a certain date during the period the health care  
16 provider's uniform credentialing application is under consideration; providing  
17 for a certain exception; requiring a health care provider whose credentialing or  
18 recredentialing is pending to provide certain information to an enrollee;  
19 requiring a carrier to extend the time period for a health care provider to submit  
20 claims under certain circumstances; and generally relating to the health care  
21 provider credentialing process by a carrier.

22 BY repealing and reenacting, without amendments,  
23 Article - Insurance  
24 Section 15-112(a)  
25 Annotated Code of Maryland  
26 (2002 Replacement Volume and 2004 Supplement)

27 BY repealing and reenacting, with amendments,  
28 Article - Insurance  
29 Section 15-112(b) and (d) and 15-112.1  
30 Annotated Code of Maryland  
31 (2002 Replacement Volume and 2004 Supplement)

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

3 **Article - Insurance**

4 15-112.

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

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

- 7 1. an insurer;
- 8 2. a nonprofit health service plan;
- 9 3. a health maintenance organization;
- 10 4. a dental plan organization; or
- 11 5. any other person that provides health benefit plans  
12 subject to regulation by the State.

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

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

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

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

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

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

27 (1) review applications for participation on the carrier's provider panel in  
28 accordance with:

29 (I) this section; AND

30 (II) § 15-112.1 OF THIS SUBTITLE;

31 (2) notify an enrollee of:

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

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

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

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

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

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

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

21 (3) (i) Except as provided in paragraph (4) of this subsection, within  
22 30 days after the date a carrier receives a completed application, the carrier shall  
23 send to the provider at the address listed in the application written notice of:

24 1. the carrier's intent to continue to process the provider's  
25 application, IN ACCORDANCE WITH § 15-112.1 OF THIS SUBTITLE, to obtain necessary  
26 credentialing information; or

27 2. the carrier's rejection of the provider for participation on  
28 the carrier's provider panel.

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

32 (iii) If, under subparagraph (i)1 of this paragraph, a carrier provides  
33 notice to the provider of its intent to continue to process the provider's application to  
34 obtain necessary credentialing information, the carrier, [within 150 days after the  
35 date the notice is provided] IN ACCORDANCE WITH § 15-112.1 OF THIS SUBTITLE,  
36 shall:

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



1           (5)     "Provider panel" means the providers that contract with a carrier to  
2 provide health care services to the enrollees under a health benefit plan of the carrier.

3           (6)     "Uniform credentialing form" means the form designated by the  
4 Commissioner through regulation for use by a carrier or its credentialing  
5 intermediary for credentialing and recredentialing a health care provider for  
6 participation on a provider panel.

7       (b)     (1)     A carrier or its credentialing intermediary shall accept the uniform  
8 credentialing form as the sole application for a health care provider to become  
9 credentialed or recredentialed for a provider panel of the carrier.

10       (2)     A carrier or its credentialing intermediary shall make the uniform  
11 credentialing form available to any health care provider that is to be credentialed or  
12 recredentialed by that carrier or credentialing intermediary.

13       (C)     (1)     WITHIN 10 BUSINESS DAYS OF THE DATE OF RECEIPT OF A UNIFORM  
14 CREDENTIALING FORM FOR A HEALTH CARE PROVIDER BY A CARRIER OR ITS  
15 CREDENTIALING INTERMEDIARY, A CARRIER OR ITS CREDENTIALING INTERMEDIARY  
16 SHALL NOTIFY A HEALTH CARE PROVIDER APPLYING FOR CREDENTIALING OR  
17 RECREDENTIALING IN WRITING OF THE DATE OF RECEIPT OF THE UNIFORM  
18 CREDENTIALING FORM.

19       (2)     (I)     WITHIN 10 BUSINESS DAYS OF THE DATE OF RECEIPT OF THE  
20 UNIFORM CREDENTIALING FORM, THE CARRIER OR ITS CREDENTIALING  
21 INTERMEDIARY SHALL NOTIFY THE APPLICANT OF ANY MATERIAL DEFICIENCIES IN  
22 THE FORM AND OF THE TIME WITHIN WHICH THE APPLICANT MUST SUBMIT  
23 ADDITIONAL INFORMATION.

24       (II)    AN APPLICANT SHALL HAVE AT LEAST 30 DAYS IN WHICH TO  
25 SUBMIT ADDITIONAL INFORMATION.

26       (III)   WITHIN 10 BUSINESS DAYS OF RECEIVING ADDITIONAL  
27 INFORMATION FROM AN APPLICANT, THE CARRIER OR ITS CREDENTIALING  
28 INTERMEDIARY SHALL ACKNOWLEDGE IN WRITING THE RECEIPT OF THE  
29 ADDITIONAL INFORMATION.

30       (D)     (1)     WITHIN 60 DAYS FOLLOWING RECEIPT OF ANY ADDITIONAL  
31 INFORMATION REQUESTED UNDER SUBSECTION (C)(2) OF THIS SECTION, OR IF NO  
32 ADDITIONAL INFORMATION IS REQUESTED, WITHIN 60 DAYS FOLLOWING RECEIPT  
33 OF THE APPLICANT'S UNIFORM CREDENTIALING FORM, WHICHEVER IS LATER, THE  
34 CARRIER OR ITS CREDENTIALING INTERMEDIARY SHALL COMPLETE THE  
35 CREDENTIALING OR RECREDENTIALING PROCESS BY EITHER ACCEPTING OR  
36 REJECTING THE APPLICANT'S UNIFORM CREDENTIALING FORM.

37       (2)     THE CARRIER OR ITS CREDENTIALING INTERMEDIARY SHALL ACT IN  
38 GOOD FAITH SO AS NOT TO UNREASONABLY DELAY THE CREDENTIALING OR  
39 RECREDENTIALING PROCESS.

1 (E) (1) A HEALTH CARE PROVIDER WHO CHANGES EMPLOYMENT OR  
2 PROVIDES SERVICES PURSUANT TO A NEW FEDERAL TAXPAYER IDENTIFICATION  
3 NUMBER AND WHO HAS BEEN CREDENTIALLED OR RECREDENTIALLED BY A CARRIER  
4 OR ITS CREDENTIALING INTERMEDIARY SHALL, IF PRACTICING THE SAME  
5 SPECIALTY IN WHICH THE HEALTH CARE PROVIDER IS CURRENTLY CREDENTIALLED,  
6 CONTINUE TO BE CREDENTIALLED BY THE CARRIER IF, NOT LESS THAN 30 DAYS  
7 PRIOR TO THE EFFECTIVE DATE OF THE CHANGE, THE PROVIDER FURNISHES TO THE  
8 CARRIER OR ITS CREDENTIALING INTERMEDIARY WRITTEN NOTICE OF THE CHANGE.

9 (2) THE WRITTEN NOTICE OF A HEALTH CARE PROVIDER'S CHANGE OF  
10 EMPLOYMENT OR CHANGE IN FEDERAL TAXPAYER IDENTIFICATION NUMBER SHALL  
11 INCLUDE:

12 (I) THE EFFECTIVE DATE OF THE CHANGE;

13 (II) THE NEW FEDERAL TAXPAYER IDENTIFICATION NUMBER AND  
14 COPY OF U.S. TREASURY FORM W-9, OR ANY SUCCESSOR OR REPLACEMENT FORM, AS  
15 APPLICABLE; AND

16 (III) THE FOLLOWING INFORMATION CONCERNING A NEW  
17 EMPLOYER:

18 1. THE EMPLOYER'S NAME;

19 2. THE NAME OF THE EMPLOYER'S CONTACT PERSON FOR  
20 CARRIER QUESTIONS CONCERNING THE HEALTH CARE PROVIDER;

21 3. THE ADDRESS, TELEPHONE NUMBER, FAX NUMBER, AND  
22 ELECTRONIC MAIL ADDRESS OF THE CONTACT PERSON FOR THE EMPLOYER; AND

23 4. ANY OTHER INFORMATION THAT MAY MATERIALLY  
24 DIFFER FROM THE MOST RECENTLY COMPLETED CREDENTIALING APPLICATION  
25 SUBMITTED BY THE HEALTH CARE PROVIDER TO THE CARRIER OR THE CARRIER'S  
26 CREDENTIALING INTERMEDIARY.

27 (F) (1) NOTHING IN THIS SECTION MAY BE CONSTRUED TO REQUIRE A  
28 CARRIER OR ITS CREDENTIALING INTERMEDIARY TO CONTRACT WITH OR INITIALLY  
29 CREDENTIAL A HEALTH CARE PROVIDER OR RECREDENTIAL A HEALTH CARE  
30 PROVIDER IF THERE HAS BEEN A MATERIAL CHANGE IN THE HEALTH CARE  
31 PROVIDER'S CREDENTIALING INFORMATION.

32 (2) THE INFORMATION PROVIDED UNDER SUBSECTION (E)(2)(I), (II), AND  
33 (III)1 THROUGH 3 OF THIS SECTION MAY NOT BE CONSIDERED A MATERIAL CHANGE.

34 (G) (1) A HEALTH CARE PROVIDER WHO BECOMES CREDENTIALLED OR  
35 RECREDENTIALLED WITH A CARRIER SHALL BE PAID BY THE CARRIER IN  
36 ACCORDANCE WITH THE CARRIER'S AGREEMENT WITH THE HEALTH CARE PROVIDER  
37 OR THE HEALTH CARE PROVIDER'S EMPLOYER AND THE CARRIER'S SUBSCRIBER OR  
38 MEMBER FOR SERVICES RENDERED BY THE HEALTH CARE PROVIDER DURING THE  
39 PERIOD THE HEALTH CARE PROVIDER'S UNIFORM CREDENTIALING APPLICATION IS

1 UNDER CONSIDERATION, STARTING FROM THE DATE OF RECEIPT BY THE CARRIER  
2 OR ITS CREDENTIALING INTERMEDIARY OF THE COMPLETED UNIFORM  
3 CREDENTIALING FORM.

4 (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, A  
5 CARRIER HAS NO OBLIGATION TO PAY A HEALTH CARE PROVIDER OR A HEALTH  
6 CARE PROVIDER'S EMPLOYER ANY AMOUNT FOR SERVICES RENDERED BY A HEALTH  
7 CARE PROVIDER IF THE HEALTH CARE PROVIDER IS NOT CREDENTIALLED OR  
8 RECREDENTIALLED WITH THE CARRIER, EXCEPT AS REQUIRED BY LAW OR BY THE  
9 SUBSCRIBER'S OR MEMBER'S CONTRACT WITH THE CARRIER.

10 (3) A HEALTH CARE PROVIDER WHOSE CREDENTIALING OR  
11 RECREDENTIALING IS PENDING SHALL INFORM AN ENROLLEE:

12 (I) OF THE PROVIDER'S CREDENTIALING STATUS BEFORE  
13 PROVIDING A SERVICE TO THE ENROLLEE; AND

14 (II) THAT THE ENROLLEE OR SUBSCRIBER UNDER WHOSE  
15 COVERAGE THE ENROLLEE IS SEEKING A SERVICE MAY BE RESPONSIBLE FOR  
16 PAYMENT TO THE PROVIDER FOR THE SERVICE, AS PROVIDED IN THE AGREEMENT  
17 BETWEEN THE CARRIER AND THE SUBSCRIBER.

18 (4) (I) NOTWITHSTANDING ANY PROVISION OF LAW TO THE  
19 CONTRARY, A CARRIER SHALL EXTEND THE PERIOD OF SUBMISSION OF CLAIMS OF A  
20 HEALTH CARE PROVIDER WHO IS BEING CREDENTIALLED OR RECREDENTIALLED FOR A  
21 PERIOD OF 90 DAYS FROM THE DATE FOLLOWING THE CREDENTIALING OR  
22 RECREDENTIALING DECISION.

23 (II) ANY CLAIM, WHETHER OR NOT HELD IN SUSPENSION BY THE  
24 CARRIER PENDING CREDENTIALING OR RECREDENTIALING, SUBMITTED BEFORE  
25 THE EXPIRATION OF THE 90-DAY PERIOD SHALL BE CONSIDERED TIMELY FILED,  
26 EVEN IF THE SUSPENSION IS LIFTED AFTER THE EXPIRATION OF THE 90-DAY  
27 PERIOD.

28 [(c)] (H) The Commissioner may impose a penalty not to exceed \$500 against  
29 any carrier for each violation of this section by the carrier or its credentialing  
30 intermediary.

31 [(d)] (I) (1) The Commissioner shall adopt regulations to implement the  
32 provisions of this section.

33 (2) In adopting the regulations required under paragraph (1) of this  
34 subsection, the Commissioner shall consider the use of an electronic format for the  
35 uniform credentialing form and the filing of the uniform credentialing form by  
36 electronic means.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
38 October 1, 2005.