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By: **Delegate Hurson**

Introduced and read first time: February 25, 2005

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Maintenance Organizations - Hold Harmless Clause - Balance Billing**  
3 **- Authorization**

4 FOR the purpose of authorizing a provider of health services to bill, charge, collect a  
5 deposit from, seek compensation, remuneration, or reimbursement from, or  
6 have any recourse against certain individuals for covered services if the provider  
7 is not under contract with the health maintenance organization and the  
8 provider notifies a certain individual of the lack of a contractual relationship  
9 between the provider and the health maintenance organization; and generally  
10 relating to a hold harmless clause in an agreement between a health  
11 maintenance organization and a provider and authorization for balance billing.

12 BY repealing and reenacting, with amendments,  
13 Article - Health - General  
14 Section 19-710(i)  
15 Annotated Code of Maryland  
16 (2000 Replacement Volume and 2004 Supplement)

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

19 **Article - Health - General**

20 19-710.

21 (i) (1) The terms of the agreements between a health maintenance  
22 organization and providers of health services shall contain a "hold harmless" clause.

23 (2) (I) [The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
24 PARAGRAPH, THE hold harmless clause shall provide that the provider may not,  
25 under any circumstances, including nonpayment of moneys due the providers by the  
26 health maintenance organization, insolvency of the health maintenance organization,  
27 or breach of the provider contract, bill, charge, collect a deposit, seek compensation,  
28 remuneration, or reimbursement from, or have any recourse against the subscriber,  
29 member, enrollee, patient, or any persons other than the health maintenance

1 organization acting on their behalf, for services provided in accordance with the  
2 provider contract.

3 (II) THE PROVIDER MAY BILL, CHARGE, COLLECT A DEPOSIT FROM,  
4 SEEK COMPENSATION, REMUNERATION, OR REIMBURSEMENT FROM, OR HAVE ANY  
5 RECOURSE AGAINST THE SUBSCRIBER, MEMBER, ENROLLEE, PATIENT, OR ANY  
6 PERSONS OTHER THAN THE HEALTH MAINTENANCE ORGANIZATION ACTING ON  
7 THEIR BEHALF, FOR COVERED SERVICES PROVIDED BY THE PROVIDER IF THE  
8 FOLLOWING CONDITIONS ARE MET:

9 1. THE PROVIDER IS NOT UNDER CONTRACT WITH THE  
10 HEALTH MAINTENANCE ORGANIZATION; AND

11 2. THE PROVIDER PROVIDES WRITTEN NOTICE TO THE  
12 PATIENT REGARDING THE LACK OF A CONTRACTUAL RELATIONSHIP WITH THE  
13 HEALTH MAINTENANCE ORGANIZATION.

14 (3) Collection from the subscriber or member of copayments or  
15 supplemental charges in accordance with the terms of the subscriber's contract with  
16 the health maintenance organization, or charges for services not covered under the  
17 subscriber's contract, may be excluded from the hold harmless clause.

18 (4) Each provider contract shall state that the hold harmless clause will  
19 survive the termination of the provider contract, regardless of the cause of  
20 termination.

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