
By: ~~Delegate Donoghue~~ Delegates Donoghue, Barve, Benson, Boteler, Bromwell, Costa, Elliott, Frank, Goldwater, Hammen, Hubbard, Kach, Kohl, Mandel, McDonough, Morhaim, Murray, Nathan-Pulliam, Oaks, Pendergrass, Rudolph, V. Turner, and Weldon

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Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

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CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Credentialing and Recredentialing of Health Care**
 3 **Providers - ~~Change in Tax Identification Number or Employer~~**

4 FOR the purpose of altering the time period within which a health insurance carrier
 5 must make a decision regarding the participation of a health care provider on
 6 the carrier's provider panel; prohibiting certain health insurance carriers from
 7 requiring a health care provider participating on a carrier's provider panel to be
 8 recredentialed based on a change in the federal tax identification number of the
 9 health care provider or the health care provider's employer or a change in the
 10 health care provider's employer under certain circumstances; requiring a certain
 11 health care provider or the health care provider's employer to give certain notice
 12 to a carrier not less than a certain number of days before the effective date of a
 13 change in the federal tax identification number of the health care provider or
 14 the health care provider's employer; requiring the notice to include a certain
 15 statement, information, and form; requiring a carrier, within a certain number
 16 of days after receipt of the notice, to acknowledge its receipt and issue a new
 17 provider number to certain persons under certain circumstances; prohibiting a
 18 carrier from terminating its existing contract with a health care provider or a
 19 health care provider's employer based solely on a certain notice given to the
 20 carrier; requiring the Maryland Insurance Administration, in consultation with
 21 certain other units of State government and the representatives of certain
 22 persons, to make certain comparisons, identify certain mechanisms, and identify
 23 ways to improve the credentialing system for health care providers used in the
 24 State; requiring the Administration to report its findings to certain legislative
 25 committees on or before a certain date; and generally relating to the

1 credentialing of health care providers.

2 BY repealing and reenacting, with amendments,

3 Article - Insurance

4 Section 15-112(d)

5 Annotated Code of Maryland

6 (2002 Replacement Volume and 2005 Supplement)

7 BY adding to

8 Article - Insurance

9 Section 15-112(f-1)

10 Annotated Code of Maryland

11 (2002 Replacement Volume and 2005 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Insurance**

15 15-112.

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

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

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

24 (3) (i) Except as provided in paragraph (4) of this subsection, within
25 30 days after the date a carrier receives a completed application, the carrier shall
26 send to the provider at the address listed in the application written notice of:

27 1. the carrier's intent to continue to process the provider's
28 application to obtain necessary credentialing information; or

29 2. the carrier's rejection of the provider for participation on
30 the carrier's provider panel.

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

34 (iii) If, under subparagraph (i)1 of this paragraph, a carrier provides
35 notice to the provider of its intent to continue to process the provider's application to

1 obtain necessary credentialing information, the carrier, within [150] 120 days after
2 the date the notice is provided, shall:

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

5 2. send written notice of the acceptance or rejection to the
6 provider at the address listed in the application.

7 (iv) The failure of a carrier to provide the notice required under
8 subparagraph (iii)2 of this paragraph is a violation of this article and the carrier is
9 subject to the provisions of and penalties provided by §§ 4-113 and 4-114 of this
10 article.

11 (4) (i) A carrier that receives an incomplete application shall return
12 the application to the provider at the address listed in the application within 10 days
13 after the date the application is received.

14 (ii) The carrier shall indicate to the provider what information is
15 needed to make the application complete.

16 (iii) The provider may return the completed application to the
17 carrier.

18 (iv) After the carrier receives the completed application, the carrier
19 is subject to the time periods established in paragraph (3) of this subsection.

20 (5) A carrier may charge a reasonable fee for an application submitted to
21 the carrier under this section.

22 (F-1) (1) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, A CARRIER MAY
23 NOT REQUIRE A PROVIDER PARTICIPATING ON ITS PROVIDER PANEL TO BE
24 RECREDENTIALLED BASED ON:

25 (I) A CHANGE IN THE FEDERAL TAX IDENTIFICATION NUMBER OF
26 THE PROVIDER;

27 (II) A CHANGE IN THE FEDERAL TAX IDENTIFICATION NUMBER OF
28 A PROVIDER'S EMPLOYER; OR

29 (III) A CHANGE IN THE EMPLOYER OF A PROVIDER, IF THE NEW
30 EMPLOYER IS:

31 1. A PARTICIPATING PROVIDER ON THE CARRIER'S
32 PROVIDER PANEL; OR

33 2. THE EMPLOYER OF PROVIDERS THAT PARTICIPATE ON
34 THE CARRIER'S PROVIDER PANEL.

35 (2) A PROVIDER THAT PARTICIPATES ON A CARRIER'S PROVIDER PANEL
36 OR THE PROVIDER'S EMPLOYER SHALL GIVE WRITTEN NOTICE TO THE CARRIER OF A

1 CHANGE IN THE FEDERAL TAX IDENTIFICATION NUMBER OF THE PROVIDER OR THE
2 PROVIDER'S EMPLOYER NOT LESS THAN 45 DAYS BEFORE THE EFFECTIVE DATE OF
3 THE CHANGE.

4 (3) THE NOTICE REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION
5 SHALL INCLUDE:

6 (I) A STATEMENT OF THE INTENTION OF THE PROVIDER OR THE
7 PROVIDER'S EMPLOYER TO CONTINUE TO PROVIDE HEALTH CARE SERVICES IN THE
8 SAME FIELD OF SPECIALIZATION, IF APPLICABLE;

9 (II) THE EFFECTIVE DATE OF THE CHANGE IN THE FEDERAL TAX
10 IDENTIFICATION NUMBER OF THE PROVIDER OR THE PROVIDER'S EMPLOYER;

11 (III) THE NEW FEDERAL TAX IDENTIFICATION NUMBER OF THE
12 PROVIDER OR THE PROVIDER'S EMPLOYER AND A COPY OF U.S. TREASURY FORM W-9,
13 OR ANY SUCCESSOR OR REPLACEMENT FORM; AND

14 (IV) THE FOLLOWING INFORMATION ABOUT A NEW EMPLOYER OF
15 THE PROVIDER:

16 1. THE EMPLOYER'S NAME;

17 2. THE NAME OF THE EMPLOYER'S CONTACT PERSON FOR
18 CARRIER QUESTIONS ABOUT THE PROVIDER; AND

19 3. THE ADDRESS, TELEPHONE NUMBER, FACSIMILE
20 TRANSMISSION NUMBER, AND ELECTRONIC MAIL ADDRESS OF THE CONTACT
21 PERSON FOR THE EMPLOYER.

22 (4) IF THE NEW FEDERAL TAX IDENTIFICATION NUMBER OR THE FORM
23 REQUIRED TO BE INCLUDED IN THE NOTICE UNDER PARAGRAPH (3)(III) OF THIS
24 SUBSECTION IS NOT AVAILABLE AT THE TIME THE NOTICE IS GIVEN TO A CARRIER, IT
25 SHALL BE PROVIDED TO THE CARRIER PROMPTLY AFTER IT IS RECEIVED BY THE
26 PROVIDER OR THE PROVIDER'S EMPLOYER.

27 (5) WITHIN 30 BUSINESS DAYS AFTER RECEIPT OF THE NOTICE
28 REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION, A CARRIER:

29 (I) SHALL ACKNOWLEDGE RECEIPT OF THE NOTICE TO THE
30 PROVIDER OR THE PROVIDER'S EMPLOYER; AND

31 (II) IF THE CARRIER CONSIDERS IT NECESSARY TO ISSUE A NEW
32 PROVIDER NUMBER AS A RESULT OF A CHANGE IN THE FEDERAL TAX
33 IDENTIFICATION NUMBER OF A PROVIDER OR A PROVIDER'S EMPLOYER OR A
34 CHANGE IN THE EMPLOYER OF A PROVIDER, SHALL ISSUE A NEW PROVIDER
35 NUMBER, BY MAIL, ELECTRONIC MAIL, OR FACSIMILE TRANSMISSION, TO:

36 1. THE PROVIDER OR THE PROVIDER'S EMPLOYER; OR

1 2. THE REPRESENTATIVE OF THE PROVIDER OR THE
2 PROVIDER'S EMPLOYER DESIGNATED IN WRITING TO THE CARRIER.

3 (6) A CARRIER MAY NOT TERMINATE ITS EXISTING CONTRACT WITH A
4 PROVIDER OR A PROVIDER'S EMPLOYER BASED SOLELY ON A NOTICE GIVEN TO THE
5 CARRIER IN ACCORDANCE WITH THIS SUBSECTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That:

7 (a) The Maryland Insurance Administration, in consultation with the
8 Department of Health and Mental Hygiene, the Maryland Board of Physicians, and
9 representatives of nonprofit health service plans, health insurers, health
10 maintenance organizations, physicians, practice managers, hospitals, and other
11 health care providers, shall:

12 (1) compare the credentialing system for health providers used in the
13 State to the systems used in other states;

14 (2) compare the uniform credentialing form used in the State to the
15 format used by the Council for Affordable Quality Healthcare;

16 (3) identify the mechanisms used by physicians and other health care
17 providers to complete credentialing; and

18 (4) identify ways to improve the credentialing system used in the State.

19 (b) On or before January 1, 2007, the Administration shall report its findings,
20 in accordance with § 2-1246 of the State Government Article, to the Senate Finance
21 Committee and the House Health and Government Operations Committee.

22 ~~SECTION 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take
23 effect October 1, 2006.