
By: **Delegates Nathan-Pulliam, Benson, Donoghue, Jones, Kullen, and Morhaim**

Introduced and read first time: February 8, 2006

Assigned to: Health and Government Operations

Committee Report: Favorable

House action: Adopted

Read second time: March 22, 2006

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Assignment, Transfer, or Subcontract of Health Care**
3 **Provider Contract**

4 FOR the purpose of prohibiting a health insurance carrier from assigning,
5 transferring, or subcontracting a health care provider's contract to an insurer
6 that offers workers' compensation coverage or to the Injured Workers' Insurance
7 Fund; prohibiting a carrier from taking certain actions against a health care
8 provider on the basis that the health care provider refused to agree to an
9 assignment, transfer, or subcontract of the provider's contract to an insurer that
10 offers workers' compensation coverage or to the Injured Workers' Insurance
11 Fund; and generally relating to assigning, transferring, or subcontracting of a
12 health care provider contract by a health insurance carrier.

13 BY repealing and reenacting, with amendments,
14 Article - Insurance
15 Section 15-125
16 Annotated Code of Maryland
17 (2002 Replacement Volume and 2005 Supplement)

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

20 **Article - Insurance**

21 15-125.

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

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

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

8 (ii) "Carrier" includes an entity that arranges a provider panel for a

9 carrier.

10 (3) "Contract" means the implied or express agreement between a health

11 care provider and carrier, including the rights, obligations, and fee schedule for the

12 provision of health care services.

13 (4) "Health care provider" means an individual who is licensed, certified,

14 or otherwise authorized under the Health Occupations Article to provide health care

15 services.

16 (b) (1) (I) [A] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS

17 PARAGRAPH, A carrier may not in any manner assign, transfer, or subcontract a

18 health care provider's contract, wholly or partly, to:

19 1. an insurer that offers personal injury protection coverage

20 under § 19-505 of this article;

21 2. AN INSURER THAT OFFERS WORKERS' COMPENSATION

22 COVERAGE UNDER TITLE 9, SUBTITLE 4 OF THE LABOR AND EMPLOYMENT ARTICLE;

23 OR

24 3. THE INJURED WORKERS' INSURANCE FUND.

25 (II) [without first informing the health care provider and

26 obtaining] A CARRIER MAY ONLY ASSIGN, TRANSFER, OR SUBCONTRACT A HEALTH

27 CARE PROVIDER'S CONTRACT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THE

28 CARRIER FIRST INFORMS THE HEALTH CARE PROVIDER AND OBTAINS the health

29 care provider's express written consent.

30 (2) A carrier may not terminate, limit, or otherwise impair the contract

31 or employment of a health care provider with the carrier on the basis that the health

32 care provider refused to agree to an assignment, transfer, or subcontract of all or part

33 of the health care provider's contract to:

34 (I) an insurer that offers personal injury protection coverage under

35 § 19-505 of this article;

1 (II) AN INSURER THAT OFFERS WORKERS' COMPENSATION
2 COVERAGE UNDER TITLE 9, SUBTITLE 4 OF THE LABOR AND EMPLOYMENT ARTICLE;
3 OR

4 (III) THE INJURED WORKERS' INSURANCE FUND.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2006.