
By: **Delegate Donoghue**

Introduced and read first time: February 8, 2006

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Contracts of Carriers with Providers or Hospitals -**
3 **Prohibited Provisions**

4 FOR the purpose of prohibiting carriers from including in contracts with providers or
5 hospitals certain terms or conditions relating to reimbursement rates and
6 reimbursement arrangements; making a violation of this Act an unfair and
7 deceptive practice for purposes of insurance; and generally relating to contracts
8 of carriers with providers and hospitals under health insurance.

9 BY repealing and reenacting, without amendments,
10 Article - Insurance
11 Section 15-112(a)
12 Annotated Code of Maryland
13 (2002 Replacement Volume and 2005 Supplement)

14 BY adding to
15 Article - Insurance
16 Section 15-112(m) and 27-222
17 Annotated Code of Maryland
18 (2002 Replacement Volume and 2005 Supplement)

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

21 **Article - Insurance**

22 15-112.

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

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

25 1. an insurer;

26 2. a nonprofit health service plan;

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

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

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

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

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

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

18 (M) A CARRIER MAY NOT INCLUDE IN A CONTRACT WITH A PROVIDER OR
 19 HOSPITAL A TERM OR CONDITION THAT:

20 (1) PROHIBITS THE PROVIDER OR HOSPITAL FROM OFFERING TO
 21 PROVIDE SERVICES TO THE ENROLLEES OF ANOTHER CARRIER AT A LOWER RATE OF
 22 REIMBURSEMENT;

23 (2) REQUIRES THE PROVIDER OR HOSPITAL TO PROVIDE THE CARRIER
 24 WITH THE SAME REIMBURSEMENT ARRANGEMENT THAT THE PROVIDER OR
 25 HOSPITAL HAS WITH ANOTHER CARRIER IF THE REIMBURSEMENT ARRANGEMENT
 26 WITH THE OTHER CARRIER IS FOR A LOWER RATE OF REIMBURSEMENT; OR

27 (3) REQUIRES THE PROVIDER OR HOSPITAL TO CERTIFY TO THE
 28 CARRIER THAT THE REIMBURSEMENT RATE BEING PAID BY THE CARRIER TO THE
 29 PROVIDER OR HOSPITAL IS NOT HIGHER THAN THE REIMBURSEMENT RATE BEING
 30 RECEIVED BY THE PROVIDER OR HOSPITAL FROM ANOTHER CARRIER.

31 27-222.

32 A PERSON MAY NOT VIOLATE § 15-112(M) OF THIS ARTICLE.

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