
By: **Senators Exum, Stone, and Teitelbaum**
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Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
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CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - ~~Assignment, Transfer, or Subcontract~~ Participation of**
3 **Health Care ~~Provider Contract~~ Providers on Provider Panels - Workers'**
4 **Compensation Services**

5 FOR the purpose of prohibiting a health insurance carrier ~~from assigning,~~
6 ~~transferring, or subcontracting a health care provider's contract to an insurer~~
7 ~~that offers workers' compensation coverage or to the Injured Workers' Insurance~~
8 ~~Fund; prohibiting a carrier from taking certain actions against a health care~~
9 ~~provider on the basis that the health care provider refused to agree to an~~
10 ~~assignment, transfer, or subcontract of the provider's contract to an insurer that~~
11 ~~offers workers' compensation coverage or to the Injured Workers' Insurance~~
12 ~~Fund; and generally relating to assigning, transferring, or subcontracting of a~~
13 ~~that uses a provider panel for health care services from requiring a health care~~
14 ~~provider, as a condition of participation or continuation on a provider panel for~~
15 ~~health care services, to also serve on a provider panel for workers' compensation~~
16 ~~services; prohibiting a carrier from terminating, limiting, or otherwise~~
17 ~~impairing a contract or agreement with a health care provider or terminating or~~
18 ~~limiting a health care provider's employment based on the health care provider's~~
19 ~~election not to serve on a certain provider panel; requiring a carrier to include a~~
20 ~~certain disclosure in certain contracts or agreements; providing that this Act~~
21 ~~shall apply to certain contracts or agreements; providing that this Act may not~~
22 ~~be construed in a certain manner; and generally relating to the participation of~~
23 ~~health care provider contract by a~~ providers on provider panels of health
24 insurance carrier carriers.

25 BY repealing and reenacting, with amendments,
26 Article - Insurance
27 Section 15-125

1 Annotated Code of Maryland
2 (2002 Replacement Volume and 2005 Supplement)

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

5 **Article - Insurance**

6 15-125.

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

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

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

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

17 (3) "Contract" means the implied or express agreement between a health
18 care provider and carrier, including the rights, obligations, and fee schedule for the
19 provision of health care services.

20 (4) "Health care provider" means an individual who is licensed, certified,
21 or otherwise authorized under the Health Occupations Article to provide health care
22 services.

23 (b) (1) ~~(A)~~ ~~[A] EXCEPT AS PROVIDED IN SUBPARAGRAPH (H) OF THIS~~
24 ~~PARAGRAPH,~~ A carrier may not in any manner assign, transfer, or subcontract a
25 health care provider's contract, wholly or partly, to:

26 ~~1.~~ an insurer that offers personal injury protection coverage
27 under § 19-505 of this article;

28 ~~2.~~ ~~AN INSURER THAT OFFERS WORKERS' COMPENSATION~~
29 ~~COVERAGE UNDER TITLE 9, SUBTITLE 4 OF THE LABOR AND EMPLOYMENT ARTICLE;~~
30 ~~OR~~

31 ~~3.~~ ~~THE INJURED WORKERS' INSURANCE FUND.~~

32 ~~(H)~~ ~~{without first informing the health care provider and~~
33 ~~obtaining} ~~A CARRIER MAY ONLY ASSIGN, TRANSFER, OR SUBCONTRACT A HEALTH~~~~

1 ~~CARE PROVIDER'S CONTRACT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THE~~
 2 ~~CARRIER FIRST INFORMS THE HEALTH CARE PROVIDER AND OBTAINS~~ the health
 3 care provider's express written consent.

4 (2) A carrier may not terminate, limit, or otherwise impair the contract
 5 or employment of a health care provider with the carrier on the basis that the health
 6 care provider refused to agree to an assignment, transfer, or subcontract of all or part
 7 of the health care provider's contract to:

8 (I) an insurer that offers personal injury protection coverage under
 9 § 19-505 of this article;

10 (II) ~~AN INSURER THAT OFFERS WORKERS' COMPENSATION~~
 11 ~~COVERAGE UNDER TITLE 9, SUBTITLE 4 OF THE LABOR AND EMPLOYMENT ARTICLE;~~
 12 ~~OR~~

13 (III) ~~THE INJURED WORKERS' INSURANCE FUND.~~

14 (C) (1) A CARRIER THAT USES A PROVIDER PANEL FOR HEALTH CARE
 15 SERVICES MAY NOT REQUIRE A HEALTH CARE PROVIDER, AS A CONDITION OF
 16 PARTICIPATION OR CONTINUATION ON THE CARRIER'S PROVIDER PANEL FOR
 17 HEALTH CARE SERVICES, TO ALSO SERVE ON A PROVIDER PANEL FOR WORKERS'
 18 COMPENSATION SERVICES.

19 (2) A CARRIER MAY NOT TERMINATE, LIMIT, OR OTHERWISE IMPAIR A
 20 CONTRACT OR AN AGREEMENT WITH A HEALTH CARE PROVIDER, OR TERMINATE OR
 21 LIMIT THE EMPLOYMENT OF A HEALTH CARE PROVIDER, BASED ON THE HEALTH
 22 CARE PROVIDER'S ELECTION NOT TO SERVE ON A PROVIDER PANEL FOR WORKERS'
 23 COMPENSATION SERVICES.

24 (3) A CARRIER SHALL INCLUDE IN A CONTRACT OR AN AGREEMENT
 25 WITH A HEALTH CARE PROVIDER A DISCLOSURE THAT INFORMS THE HEALTH CARE
 26 PROVIDER OF THE RIGHT TO ELECT NOT TO SERVE ON A PROVIDER PANEL FOR
 27 WORKERS' COMPENSATION SERVICES.

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

29 (a) This Act shall apply to contracts or agreements between health insurance
 30 carriers and health care providers that are executed on or after July 1, 2006.

31 (b) This Act may not be construed to authorize a health care provider to
 32 terminate, limit, or otherwise impair any contract or agreement with a health
 33 insurance carrier that was executed on or before June 30, 2006.

34 SECTION 2.3. AND BE IT FURTHER ENACTED, That this Act shall take
 35 effect ~~October~~ July 1, 2006.

