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By: **Senators Teitelbaum, Astle, Della, Exum, Frosh, and Garagiola**

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Assigned to: Finance

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Committee Report: Favorable with amendments

Senate 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 recredentialled 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  
 26 credentialing of health care providers.

27 BY repealing and reenacting, with amendments,

1 Article - Insurance  
2 Section 15-112(d)  
3 Annotated Code of Maryland  
4 (2002 Replacement Volume and 2005 Supplement)

5 BY adding to  
6 Article - Insurance  
7 Section 15-112(f-1)  
8 Annotated Code of Maryland  
9 (2002 Replacement Volume and 2005 Supplement)

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

12 **Article - Insurance**

13 15-112.

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

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

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

22 (3) (i) Except as provided in paragraph (4) of this subsection, within  
23 30 days after the date a carrier receives a completed application, the carrier shall  
24 send to the provider at the address listed in the application written notice of:

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

27 2. the carrier's rejection of the provider for participation on  
28 the carrier's provider panel.

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

32 (iii) If, under subparagraph (i)1 of this paragraph, a carrier provides  
33 notice to the provider of its intent to continue to process the provider's application to  
34 obtain necessary credentialing information, the carrier, within [150] 120 days after  
35 the date the notice is provided, shall:

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

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

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

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

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

14                                   (iii)    The provider may return the completed application to the  
15 carrier.

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

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

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

23                                   (I)     A CHANGE IN THE FEDERAL TAX IDENTIFICATION NUMBER OF  
24 THE PROVIDER;

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

27                                   (III)   A CHANGE IN THE EMPLOYER OF A PROVIDER, IF THE NEW  
28 EMPLOYER IS:

29                                   1.       A PARTICIPATING PROVIDER ON THE CARRIER'S  
30 PROVIDER PANEL; OR

31                                   2.       THE EMPLOYER OF PROVIDERS THAT PARTICIPATE ON  
32 THE CARRIER'S PROVIDER PANEL.

33                                   (2)     A PROVIDER THAT PARTICIPATES ON A CARRIER'S PROVIDER PANEL  
34 OR THE PROVIDER'S EMPLOYER SHALL GIVE WRITTEN NOTICE TO THE CARRIER OF A  
35 CHANGE IN THE FEDERAL TAX IDENTIFICATION NUMBER OF THE PROVIDER OR THE

1 PROVIDER'S EMPLOYER NOT LESS THAN 45 DAYS BEFORE THE EFFECTIVE DATE OF  
2 THE CHANGE.

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

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

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

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

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

15 1. THE EMPLOYER'S NAME;

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

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

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

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

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

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

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

