UNOFFICIAL COPY OF SENATE BILL 1086

6lr3688 CF HB 897

By: **Senator Klausmeier** Constitutional Requirements Complied with for Introduction in the last 35 Days of Session Introduced and read first time: March 10, 2006 Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 3

Health Insurance - Contracts of Carriers with Providers or Hospitals -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.

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 (2) (i) "Carrier" means:

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 1. an insurer;

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2 **UNOFFICIAL COPY OF SENATE BILL 1086** 1 2. a nonprofit health service plan; 2 3. a health maintenance organization; 3 4. a dental plan organization; or 4 5. any other person that provides health benefit plans 5 subject to regulation by the State. 6 (ii) "Carrier" includes an entity that arranges a provider panel for a 7 carrier. 8 (3) "Enrollee" means a person entitled to health care benefits from a 9 carrier. 10 (4)"Provider" means a health care practitioner or group of health care 11 practitioners licensed, certified, or otherwise authorized by law to provide health care 12 services. 13 "Provider panel" means the providers that contract either (5)(i) 14 directly or through a subcontracting entity with a carrier to provide health care 15 services to the carrier's enrollees under the carrier's health benefit plan. "Provider panel" does not include an arrangement in which any 16 (ii) provider may participate solely by contracting with the carrier to provide health care 17 18 services at a discounted fee-for-service rate. A CARRIER MAY NOT INCLUDE IN A CONTRACT WITH A PROVIDER OR 19 (M) 20 HOSPITAL A TERM OR CONDITION THAT: PROHIBITS THE PROVIDER OR HOSPITAL FROM OFFERING TO 21 (1)22 PROVIDE SERVICES TO THE ENROLLEES OF ANOTHER CARRIER AT A LOWER RATE OF 23 REIMBURSEMENT; 24 REQUIRES THE PROVIDER OR HOSPITAL TO PROVIDE THE CARRIER (2)25 WITH THE SAME REIMBURSEMENT ARRANGEMENT THAT THE PROVIDER OR 26 HOSPITAL HAS WITH ANOTHER CARRIER IF THE REIMBURSEMENT ARRANGEMENT 27 WITH THE OTHER CARRIER IS FOR A LOWER RATE OF REIMBURSEMENT; OR REQUIRES THE PROVIDER OR HOSPITAL TO CERTIFY TO THE 28 (3)29 CARRIER THAT THE REIMBURSEMENT RATE BEING PAID BY THE CARRIER TO THE 30 PROVIDER OR HOSPITAL IS NOT HIGHER THAN THE REIMBURSEMENT RATE BEING 31 RECEIVED BY THE PROVIDER OR HOSPITAL FROM ANOTHER CARRIER.

32 27-222.

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

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 35 October 1, 2006.