

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1003

(Delegate Bromwell, *et al.*)

Health and Government Operations

Finance

Health Insurance - Carrier Provider Panels - Participation by Providers

This bill makes several changes to current law regarding provider panels used by a health insurer, nonprofit health service plan, HMO, or dental plan organization (carrier).

The bill takes effect June 1, 2006.

Fiscal Summary

State Effect: The Maryland Insurance Administration (MIA) could experience fewer consumer complaints about provider availability, although any reduction is not expected to materially affect MIA operations or finances. MIA could adopt regulations and conduct the required study with existing budgeted resources. No impact on the Medicaid program or the State Employee and Retiree Health and Welfare Benefit Program. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: A carrier that uses a provider panel must maintain standards in accordance with current law regarding the availability and accessibility of health care providers.

This bill requires a carrier that uses a provider panel to verify at the time of credentialing and recredentialing whether a provider on the provider panel is accepting new patients, and promptly update information on participating providers that the carrier is required to provide to prospective enrollees. This provision may not be construed to require a carrier to allow a provider to refuse to accept new patients covered by the carrier.

A carrier must update its printed provider information given to enrollees or prospective enrollees within 15 working days after receipt of written notification from the participating provider of a change in information.

The bill adds another situation in which a carrier must provide for a referral to a specialist who is not on the provider panel. A carrier must provide such a referral if the carrier cannot provide reasonable access to a specialist with the professional training and expertise to treat the condition or disease without unreasonable delay or travel.

By January 1, 2007, MIA in consultation with the Department of Health and Mental Hygiene's Office of Health Care Quality and other interested and affected parties, must adopt regulations to implement the bill's provisions regarding provider availability with respect to health insurers, nonprofit health service plans, and dental plan organizations. By January 1, 2008, MIA must study the feasibility and desirability of imposing on carriers a network standard for in-network hospital-based physician services and report its findings and recommendations to specified legislative committees.

Current Law: A provider panel is comprised of health care providers that contract either directly or through a subcontracting entity with a carrier to provide health care services to the carrier's enrollees under the carrier's health benefit plan. Carriers that use provider panels are subject to certain requirements, including notification to enrollees about the availability of providers or the termination of providers from the carrier's provider panel.

Additional Information

Prior Introductions: None.

Cross File: SB 686 (Senator Klausmeier, *et al.*) – Finance.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2006
mll/jr Revised - House Third Reader - March 29, 2006

Analysis by: Susan D. John

Direct Inquiries to:
(410) 946-5510
(301) 970-5510