

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 1565 (Delegate Barve)
Health and Government Operations

Health Insurance - Participation of Providers on Multiple Provider Panels

This bill clarifies provider contract provisions that require health care providers to participate on one or more provider panels.

Fiscal Summary

State Effect: Any additional carrier contract filings with the Maryland Insurance Administration could be handled with existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill repeals current law language referring to “health benefit plans” and defines “provider contract” and “provider panel” in order to clarify that a health insurer, nonprofit health service plan, HMO, or dental plan organization (carrier), with limited exceptions for Medicaid managed care organizations (MCOs), may not require a health care provider to participate on multiple provider panels.

The bill repeals current provisions that prohibit a carrier that offers coverage through a health benefit plan from requiring a provider, as a condition of participation or continuation on a provider panel for one of the carrier’s health benefit plans to also serve on a provider panel for another of the carrier’s health benefit plans. The bill also repeals

the exception that allows a carrier that offers health services as a Medicaid MCO to require a provider, as a condition of participation on a provider panel for one or more of the carrier's health benefit plans, to serve on an MCO provider panel as well.

The bill provides instead that a provider contract may not contain a provision that requires a provider, as a condition of participation on a provider panel of a carrier, to participate on another provider panel of the same carrier or provider panel of a different carrier. A "provider contract" is a contract between the provider and a carrier; a carrier affiliate; or an entity that arranges a provider panel for a carrier. A "provider panel" is defined as the providers that contract either directly or through a subcontracting entity with a carrier to provide health care services to the carrier's enrollees. The prohibition does not apply to a carrier that offers health care services as an MCO, which may require that a provider participate in multiple provider panels.

A carrier is responsible for a violation of any provision of the bill, regardless of whether the carrier has subcontracted with an affiliate or entity that arranges a provider panel.

Current Law: A carrier that offers coverage for health care services through one or more health benefit plans, or contracts with providers to offer health care services through one or more provider panels, may not require a provider, as a condition of participation, to also serve on a provider panel of another of the carrier's health benefit plans. An exception is made for a carrier that also serves as a Medicaid MCO. This type of carrier may require a provider, as a condition of participation on a provider panel, to serve on an MCO provider panel.

Background: Carriers began requiring certain health care providers, as a condition of participating on one panel, to participate on others, which may have caused administrative or financial burdens for certain providers. As a result, Chapters 253 and 254 of 2000 prohibited carriers from requiring provider panel participation. However, some carrier affiliates or entities that arrange provider panels have been requiring provider participation on more than one provider panel.

Additional Information

Prior Introductions: HB 1395 of 2004 contained similar provisions clarifying that carrier affiliates could not require provider participation in multiple provider panels. The bill was not reported by the House Health and Government Operations Committee.

Cross File: None.

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

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nas/jr

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