

# HOUSE BILL 515

C3

(71r2492)

## **ENROLLED BILL**

— *Health and Government Operations / Finance* —

Introduced by **Delegate Bromwell**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Insurance – Credentialing Intermediaries – ~~Exemptions~~ and Uniform**  
3 **Credentialing Form**

4 FOR the purpose of providing that certain carriers are exempt from providing certain  
5 information within a certain time frame to a provider under certain  
6 circumstances; exempting certain credentialing intermediaries from certain  
7 requirements regarding the uniform credentialing form; repealing a  
8 requirement that the Insurance Commissioner designate the uniform  
9 credentialing form through regulation; authorizing, rather than requiring, the  
10 Commissioner to adopt regulations to implement provisions of law relating to  
11 credentialing; altering a certain definition; defining a certain term; and

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber / conference committee amendments.*



1 generally relating to credentialing intermediaries ~~for health insurance carriers~~  
2 and the uniform credentialing form.

3 BY repealing and reenacting, with amendments,  
4 Article – Insurance  
5 Section 15–112(a) and (d) and 15–112.1  
6 Annotated Code of Maryland  
7 (2006 Replacement Volume and 2006 Supplement)

8 BY adding to  
9 Article – Insurance  
10 Section 15–112(o)  
11 Annotated Code of Maryland  
12 (2006 Replacement Volume and 2006 Supplement)

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

15 **Article – Insurance**

16 15–112.

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

18 (2) “Ambulatory surgical facility” has the meaning stated in §  
19 19–3B–01 of the Health – General Article.

20 (3) (i) “Carrier” means:

21 1. an insurer;

22 2. a nonprofit health service plan;

23 3. a health maintenance organization;

24 4. a dental plan organization; or

25 5. any other person that provides health benefit plans  
26 subject to regulation by the State.

27 (ii) “Carrier” includes an entity that arranges a provider panel  
28 for a carrier.

1           (4)   **“CREDENTIALING INTERMEDIARY” MEANS A PERSON TO**  
2 **WHOM A CARRIER HAS DELEGATED CREDENTIALING OR RECREDENTIALING**  
3 **AUTHORITY AND RESPONSIBILITY.**

4           (5)   “Enrollee” means a person entitled to health care benefits from a  
5 carrier.

6           [(5)] (6)   “Hospital” has the meaning stated in § 19–301 of the Health  
7 – General Article.

8           [(6)] (7)   “Provider” means a health care practitioner or group of  
9 health care practitioners licensed, certified, or otherwise authorized by law to provide  
10 health care services.

11           [(7)] (8)   (i)   “Provider panel” means the providers that contract  
12 either directly or through a subcontracting entity with a carrier to provide health care  
13 services to the carrier’s enrollees under the carrier’s health benefit plan.

14                       (ii)   “Provider panel” does not include an arrangement in which  
15 any provider may participate solely by contracting with the carrier to provide health  
16 care services at a discounted fee-for-service rate.

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

19                       (2)   (i)   Subject to paragraph (3) of this subsection, the carrier, after  
20 reviewing the application, shall accept or reject the provider for participation on the  
21 carrier’s provider panel.

22                               (ii)   If the carrier rejects the provider for participation on the  
23 carrier’s provider panel, the carrier shall send to the provider at the address listed in  
24 the application written notice of the rejection.

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

28                                       1.   the carrier’s intent to continue to process the  
29 provider’s application to obtain necessary credentialing information; or

30                                       2.   the carrier’s rejection of the provider for participation  
31 on the carrier’s provider panel.

1 (ii) The failure of a carrier to provide the notice required under  
2 subparagraph (i) of this paragraph is a violation of this article and the carrier is  
3 subject to the penalties provided by § 4–113(d) of this article.

4 (iii) **[If,] EXCEPT AS PROVIDED IN SUBSECTION (O) OF THIS**  
5 **SECTION, IF,** under subparagraph (i)<sup>1</sup> of this paragraph, a carrier provides notice to  
6 the provider of its intent to continue to process the provider’s application to obtain  
7 necessary credentialing information, the carrier, within 120 days after the date the  
8 notice is provided, shall:

9 1. accept or reject the provider for participation on the  
10 carrier’s provider panel; and

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

13 (iv) The failure of a carrier to provide the notice required under  
14 subparagraph (iii)<sup>2</sup> of this paragraph is a violation of this article and the carrier is  
15 subject to the provisions of and penalties provided by §§ 4–113 and 4–114 of this  
16 article.

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

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

22 (iii) The provider may return the completed application to the  
23 carrier.

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

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

28 **(O) THE PROVISIONS OF SUBSECTION (D)(3)(III) OF THIS SECTION DO**  
29 **NOT APPLY TO A CARRIER THAT USES A CREDENTIALING INTERMEDIARY THAT:**

30 **(1) IS A HOSPITAL OR ACADEMIC MEDICAL CENTER;**

1                   (2)    **IS A PARTICIPATING PROVIDER ON THE CARRIER’S PROVIDER**  
2 **PANEL; AND**

3                   (3)    **ACTS AS A CREDENTIALING INTERMEDIARY FOR THAT**  
4 **CARRIER FOR HEALTH CARE PRACTITIONERS THAT:**

5                            (I)    **PARTICIPATE ON THE CARRIER’S PROVIDER PANEL; AND**

6                            (II) **HAVE PRIVILEGES AT THE HOSPITAL OR ACADEMIC**  
7 **~~HEALTH~~ MEDICAL CENTER.**

8 15–112.1.

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

10                   (2)    (i)    “Carrier” means:

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

17                           (ii)   “Carrier” includes an entity that arranges a provider panel  
18 for a carrier.

19                   (3)    “Credentialing intermediary” means a person to whom a carrier  
20 has delegated credentialing or recredentialing authority and responsibility.

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

24                   (5)    “Provider panel” means the providers that contract with a carrier  
25 to provide health care services to the enrollees under a health benefit plan of the  
26 carrier.

1 (6) "Uniform credentialing form" means the form designated by the  
2 Commissioner ~~through regulation~~ for use by a carrier or its credentialing intermediary  
3 for credentialing and recredentialing a health care provider for participation on a  
4 provider panel.

5 (b) (1) **[A] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS**  
6 **SECTION, A** carrier or its credentialing intermediary shall accept the uniform  
7 credentialing form as the sole application for a health care provider to become  
8 credentialed or recredentialed for a provider panel of the carrier.

9 (2) A carrier or its credentialing intermediary shall make the uniform  
10 credentialing form available to any health care provider that is to be credentialed or  
11 recredentialed by that carrier or credentialing intermediary.

12 **(C) THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION DO NOT**  
13 **APPLY TO A HOSPITAL OR ACADEMIC MEDICAL CENTER THAT:**

14 **(1) IS A PARTICIPATING PROVIDER ON THE CARRIER'S PROVIDER**  
15 **PANEL; AND**

16 **(2) ACTS AS A CREDENTIALING INTERMEDIARY FOR THAT**  
17 **CARRIER FOR HEALTH CARE PRACTITIONERS THAT:**

18 **(I) PARTICIPATE ON THE CARRIER'S PROVIDER PANEL; AND**

19 **(II) HAVE PRIVILEGES AT THE HOSPITAL OR ACADEMIC**  
20 **MEDICAL CENTER.**

21 **[(c)] (D)** The Commissioner may impose a penalty not to exceed \$500  
22 against any carrier for each violation of this section by the carrier or its credentialing  
23 intermediary.

24 **[(d)] (E)** (1) The Commissioner ~~shall~~ **MAY** adopt regulations to  
25 implement the provisions of this section.

26 (2) In adopting the regulations required under paragraph (1) of this  
27 subsection, the Commissioner shall consider the use of an electronic format for the  
28 uniform credentialing form and the filing of the uniform credentialing form by  
29 electronic means.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 June 1, 2007.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.