

SENATE BILL 557

C3

71r2283
CF 71r2492

By: **Senator Garagiola**

Introduced and read first time: February 2, 2007

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Credentialing Intermediaries – Exemptions**

3 FOR the purpose of providing that certain carriers are exempt from providing certain
4 information within a certain time frame to a provider under certain
5 circumstances; exempting certain credentialing intermediaries from certain
6 requirements regarding the uniform credentialing form; defining a certain term;
7 and generally relating to credentialing intermediaries for health insurance
8 carriers.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 15–112(a) and (d) and 15–112.1
12 Annotated Code of Maryland
13 (2006 Replacement Volume and 2006 Supplement)

14 BY adding to
15 Article – Insurance
16 Section 15–112(o)
17 Annotated Code of Maryland
18 (2006 Replacement Volume and 2006 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**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 15-112.

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

3 (2) "Ambulatory surgical facility" has the meaning stated in §
4 19-3B-01 of the Health – General Article.

5 (3) (i) "Carrier" means:

6 1. an insurer;

7 2. a nonprofit health service plan;

8 3. a health maintenance organization;

9 4. a dental plan organization; or

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

12 (ii) "Carrier" includes an entity that arranges a provider panel
13 for a carrier.

14 (4) **"CREDENTIALING INTERMEDIARY" MEANS A PERSON TO**
15 **WHOM A CARRIER HAS DELEGATED CREDENTIALING OR RECREDENTIALING**
16 **AUTHORITY AND RESPONSIBILITY.**

17 (5) "Enrollee" means a person entitled to health care benefits from a
18 carrier.

19 [(5)] (6) "Hospital" has the meaning stated in § 19-301 of the Health
20 – General Article.

21 [(6)] (7) "Provider" means a health care practitioner or group of
22 health care practitioners licensed, certified, or otherwise authorized by law to provide
23 health care services.

24 [(7)] (8) (i) "Provider panel" means the providers that contract
25 either directly or through a subcontracting entity with a carrier to provide health care
26 services to the carrier's enrollees under the carrier's health benefit plan.

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

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

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

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

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

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

17 2. the carrier's rejection of the provider for participation
18 on the carrier's provider panel.

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

22 (iii) [If,] **EXCEPT AS PROVIDED IN SUBSECTION (O) OF THIS**
23 **SECTION, IF,** under subparagraph (i)1 of this paragraph, a carrier provides notice to
24 the provider of its intent to continue to process the provider's application to obtain
25 necessary credentialing information, the carrier, within 120 days after the date the
26 notice is provided, shall:

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

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

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

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

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

10 (iii) The provider may return the completed application to the
11 carrier.

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

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

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

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

19 **(2) IS A PARTICIPATING PROVIDER ON THE CARRIER'S PROVIDER**
20 **PANEL; AND**

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

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

24 **(II) HAVE PRIVILEGES AT THE HOSPITAL OR ACADEMIC**
25 **HEALTH CENTER.**

26 15-112.1.

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

1 (2) (i) “Carrier” means:
2 1. an insurer;
3 2. a nonprofit health service plan;
4 3. a health maintenance organization;
5 4. a dental plan organization; or
6 5. any other person that provides health benefit plans
7 subject to regulation by the State.

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

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

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

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

18 (6) “Uniform credentialing form” means the form designated by the
19 Commissioner through regulation for use by a carrier or its credentialing intermediary
20 for credentialing and recredentialing a health care provider for participation on a
21 provider panel.

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

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

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

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

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

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

8 **(II) HAVE PRIVILEGES AT THE HOSPITAL OR ACADEMIC**
9 **MEDICAL CENTER.**

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

13 **[(d)] (E) (1)** The Commissioner shall adopt regulations to implement the
14 provisions of this section.

15 **(2)** In adopting the regulations required under paragraph (1) of this
16 subsection, the Commissioner shall consider the use of an electronic format for the
17 uniform credentialing form and the filing of the uniform credentialing form by
18 electronic means.

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