

# SENATE BILL 557

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71r2283  
CF HB 515

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By: **Senator Garagiola**

Introduced and read first time: February 2, 2007

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2007

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## 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  
12 generally relating to credentialing intermediaries for health insurance carriers  
13 and the uniform credentialing form.

14 BY repealing and reenacting, with amendments,  
15 Article – Insurance  
16 Section 15–112(a) and (d) and 15–112.1  
17 Annotated Code of Maryland  
18 (2006 Replacement Volume and 2006 Supplement)

19 BY adding to

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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.



1 Article – Insurance  
2 Section 15–112(o)  
3 Annotated Code of Maryland  
4 (2006 Replacement Volume and 2006 Supplement)

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

7 **Article – Insurance**

8 15–112.

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

10 (2) “Ambulatory surgical facility” has the meaning stated in §  
11 19–3B–01 of the Health – General Article.

12 (3) (i) “Carrier” means:

13 1. an insurer;

14 2. a nonprofit health service plan;

15 3. a health maintenance organization;

16 4. a dental plan organization; or

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

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

21 (4) **“CREDENTIALING INTERMEDIARY” MEANS A PERSON TO**  
22 **WHOM A CARRIER HAS DELEGATED CREDENTIALING OR RECREDENTIALING**  
23 **AUTHORITY AND RESPONSIBILITY.**

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

26 [(5)] (6) “Hospital” has the meaning stated in § 19–301 of the Health  
27 – General Article.

1           [(6)] (7)       “Provider” means a health care practitioner or group of  
2 health care practitioners licensed, certified, or otherwise authorized by law to provide  
3 health care services.

4           [(7)] (8)       (i)       “Provider panel” means the providers that contract  
5 either directly or through a subcontracting entity with a carrier to provide health care  
6 services to the carrier’s enrollees under the carrier’s health benefit plan.

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

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

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

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

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

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

23   2.       the carrier’s rejection of the provider for participation  
24 on the carrier’s provider panel.

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

28                               (iii)       [If,] **EXCEPT AS PROVIDED IN SUBSECTION (O) OF THIS**  
29 **SECTION, IF,** under subparagraph (i)1 of this paragraph, a carrier provides notice to  
30 the provider of its intent to continue to process the provider’s application to obtain

1 necessary credentialing information, the carrier, within 120 days after the date the  
2 notice is provided, shall:

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

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

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

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

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

16 (iii) The provider may return the completed application to the  
17 carrier.

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

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

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

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

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

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

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

1 (II) HAVE PRIVILEGES AT THE HOSPITAL OR ACADEMIC  
2 ~~HEALTH MEDICAL CENTER.~~

3 15-112.1.

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

5 (2) (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 (3) "Credentialing intermediary" means a person to whom a carrier  
15 has delegated credentialing or recredentialing authority and responsibility.

16 (4) "Health care provider" means an individual who is licensed,  
17 certified, or otherwise authorized under the Health Occupations Article to provide  
18 health care services.

19 (5) "Provider panel" means the providers that contract with a carrier  
20 to provide health care services to the enrollees under a health benefit plan of the  
21 carrier.

22 (6) "Uniform credentialing form" means the form designated by the  
23 Commissioner ~~through regulation~~ for use by a carrier or its credentialing intermediary  
24 for credentialing and recredentialing a health care provider for participation on a  
25 provider panel.

26 (b) (1) [A] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS  
27 SECTION, A carrier or its credentialing intermediary shall accept the uniform

1 credentialing form as the sole application for a health care provider to become  
2 credentialed or recredentialed for a provider panel of the carrier.

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

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

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

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

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

13 (II) **HAVE PRIVILEGES AT THE HOSPITAL OR ACADEMIC**  
14 **MEDICAL CENTER.**

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

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

20 (2) In adopting the regulations required under paragraph (1) of this  
21 subsection, the Commissioner shall consider the use of an electronic format for the  
22 uniform credentialing form and the filing of the uniform credentialing form by  
23 electronic means.

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