

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 515 (Delegate Bromwell)

Health and Government Operations

Finance

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**Health Insurance - Credentialing Intermediaries and Uniform Credentialing Form**

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This bill exempts carriers that use specified credentialing intermediaries from the requirement to use the uniform credentialing form and from certain time frames for credentialing decisions. Such carriers must use a credentialing intermediary that • is a hospital or academic medical center; • is a participating provider on the carrier’s provider panel; and • acts as a credentialing intermediary for that carrier for health care practitioners that participate on the carrier’s provider panel and have privileges at the hospital or academic medical center. The bill authorizes rather than requires the Maryland Insurance Commissioner to adopt credentialing regulations.

The bill takes effect June 1, 2007.

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**Fiscal Summary**

**State Effect:** None. The bill’s changes are procedural in nature and would not directly affect governmental finances.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** A carrier that uses a provider panel must provide a credentialing application and information about participation on the carrier’s provider panel to any requesting provider. A provider that seeks to participate on a carrier’s provider panel

must submit a credentialing application, and a carrier must accept or reject the provider for participation on the panel.

Within 30 days of receipt of a completed credentialing application, a carrier must send a provider written notice of either the carrier's intent to process the provider's application or the carrier's rejection of the provider's application. Within 120 days after this initial notice is provided, a carrier must send the provider written notice of the acceptance or rejection of the credentialing application. Failure to provide this second notice can result in suspension or revocation of a carrier's certificate of authority, a penalty of between \$100 and \$125,000 per violation, a requirement to make restitution to a provider that has suffered financial injury, and/or an order to cease and desist writing insurance.

In addition to meeting these required timelines, carriers must accept a uniform credentialing form as the sole application for a health care provider to become credentialed or recredentialed for a provider panel.

The Commissioner must designate through regulation the uniform credentialing form that must be used and adopt regulations on credentialing.

**Background:** Several Maryland hospitals serve as delegated credentialing intermediaries for carriers. The hospitals credential and recredential providers on the carrier's provider panel on behalf of the carrier using information gathered for the hospitals' own, more rigorous credentialing processes. Carriers benefit from not having to perform the credentialing themselves, and providers benefit by having to undergo one rather than multiple credentialing processes. Because hospital credentialing processes are more complex and time consuming than the carrier credentialing process, hospital credentialing intermediaries cannot always meet the carrier credentialing time frames specified under current law.

The Commissioner designated the uniform credentialing form in regulation (COMAR 31.26.10.04) in December 2000. Repeal of the requirement that the form be designated in regulations would provide the Maryland Insurance Administration greater flexibility in designating the form.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 557 (Senator Garagiola) – Finance.

**Information Source(s):** Maryland Insurance Administration, Maryland Hospital Association, Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2007  
ncs/jr Revised - House Third Reader - March 22, 2007  
Revised - Enrolled Bill - April 25, 2007

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