

HOUSE BILL 815

C3

8lr2318

By: **Delegates Tarrant, Donoghue, James, Nathan-Pulliam, Riley, and Stukes**

Introduced and read first time: February 6, 2008

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2008

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Reimbursement of Health Care Practitioners –**
3 **Information Provided by Carriers**

4 FOR the purpose of increasing the number of fees on a schedule of certain services
5 billed by certain health care practitioners that certain health insurance carriers
6 must provide health care practitioners in a certain manner; requiring certain
7 health insurance carriers to provide certain health care practitioners with a
8 certain pharmaceutical formulary in a certain manner; and generally relating to
9 reimbursement of health care practitioners by carriers under health insurance.

10 BY repealing and reenacting, with amendments,
11 Article – Insurance
12 Section 15–113
13 Annotated Code of Maryland
14 (2006 Replacement Volume and 2007 Supplement)

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

17 **Article – Insurance**

18 15–113.

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

20 (2) “Carrier” means:

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 (i) an insurer;
- 2 (ii) a nonprofit health service plan;
- 3 (iii) a health maintenance organization;
- 4 (iv) a dental plan organization; or
- 5 (v) any other person that provides health benefit plans subject
6 to regulation by the State.

7 (3) "Health care practitioner" means an individual who is licensed,
8 certified, or otherwise authorized under the Health Occupations Article to provide
9 health care services.

10 (b) A carrier may not reimburse a health care practitioner in an amount less
11 than the sum or rate negotiated in the carrier's provider contract with the health care
12 practitioner.

13 (c) This section does not prohibit a carrier from providing bonuses or other
14 incentive-based compensation to a health care practitioner if the bonus or other
15 incentive-based compensation:

16 (1) complies with the provisions of § 19-705.1 of the Health – General
17 Article;

18 (2) promotes the delivery of medically appropriate care to an enrollee;
19 and

20 (3) except for the provision of preventive health care services, is not
21 based on the cost, or number of medical services provided, proposed, or recommended
22 by the health care practitioner without reference to the medical appropriateness or
23 necessity of the services.

24 (d) (1) A carrier shall provide a health care practitioner with a ~~written~~
25 copy of:

26 (i) a schedule of applicable fees for up to the [twenty] **FIFTY**
27 most common services billed by a health care practitioner in that specialty;

28 (ii) a description of the coding guidelines used by the carrier
29 that are applicable to the services billed by a health care practitioner in that specialty;
30 ~~[and]~~

31 (iii) the information about the practitioner and the methodology
32 that the carrier uses to determine whether to:

1 1. increase or reduce the practitioner’s level of
2 reimbursement; and

3 2. provide a bonus or other incentive-based
4 compensation to the practitioner;~~AND~~

5 ~~(IV) THE PHARMACEUTICAL FORMULARY THAT THE CARRIER~~
6 ~~USES.~~

7 (2) ~~A~~ EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS
8 SUBSECTION, A carrier shall provide the information required under paragraph (1) of
9 this subsection IN THE MANNER INDICATED in each of the following instances:

10 (i) IN WRITING at the time of contract execution;

11 (ii) IN WRITING OR ELECTRONICALLY 30 days prior to a
12 change; and

13 (iii) IN WRITING OR ELECTRONICALLY upon request of the
14 health care practitioner.

15 (3) EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS
16 SUBSECTION, A CARRIER SHALL MAKE THE PHARMACEUTICAL FORMULARY
17 THAT THE CARRIER USES AVAILABLE TO A HEALTH CARE PRACTITIONER
18 ELECTRONICALLY.

19 (4) ON WRITTEN REQUEST OF A HEALTH CARE PRACTITIONER, A
20 CARRIER SHALL PROVIDE THE INFORMATION REQUIRED UNDER PARAGRAPHS
21 (1) AND (3) OF THIS SUBSECTION IN WRITING.

22 ~~(3)~~ (5) The Administration may adopt regulations to carry out the
23 provisions of this subsection.

24 (e) (1) A carrier that compensates health care practitioners wholly or
25 partly on a capitated basis may not retain any capitated fee attributable to an enrollee
26 or covered person during an enrollee’s or covered person’s contract year.

27 (2) A carrier is in compliance with paragraph (1) of this subsection if,
28 within 45 days after an enrollee or covered person chooses or obtains health care from
29 a health care practitioner, the carrier pays to the health care practitioner all accrued
30 but unpaid capitated fees attributable to that enrollee or person that the health care
31 practitioner would have received had the enrollee or person chosen the health care
32 practitioner at the beginning of the enrollee’s or covered person’s contract year.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.