

# SENATE BILL 595

C3

(8lr2039)

## ENROLLED BILL

—Finance/Health and Government Operations—

Introduced by **Senators Astle, Della, and Klausmeier**

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.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Insurance – Carrier Credentialing – Reimbursement of Providers of**  
3 **Health Care Services**

4 FOR the purpose of requiring certain carriers to reimburse ~~providers~~ a certain group  
5 practice at a certain rate during a certain time period for certain health care  
6 services provided to enrollees on or after a certain date by a certain provider  
7 under certain circumstances; requiring a carrier to reimburse a provider as a  
8 nonparticipating provider under certain circumstances; prohibiting a health  
9 maintenance organization from denying payment to a provider under certain  
10 circumstances; prohibiting a certain provider from holding an enrollee of a  
11 carrier liable for a certain cost with certain exceptions; ~~authorizing a carrier to~~  
12 ~~require a~~ requiring a group practice to disclose in writing certain information to  
13 an enrollee; ~~authorizing a carrier to require a certain disclosure to be in writing~~  
14 and ~~acknowledged by an enrollee; authorizing a carrier to require a certain~~  
15 ~~disclosure as a condition of reimbursement at a certain rate under certain~~

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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 ~~circumstances~~, defining certain terms; and generally relating to credentialing  
2 and reimbursement of providers of health care services.

3 BY repealing and reenacting, with amendments,  
4 Article – Insurance  
5 Section ~~15–112(d)~~ 15–112(a)  
6 Annotated Code of Maryland  
7 (2006 Replacement Volume and 2007 Supplement)

8 BY repealing and reenacting, without amendments,  
9 Article – Insurance  
10 Section 15–112(d)  
11 Annotated Code of Maryland  
12 (2006 Replacement Volume and 2007 Supplement)

13 BY adding to  
14 Article – Insurance  
15 Section 15–112(q)  
16 Annotated Code of Maryland  
17 (2006 Replacement Volume and 2007 Supplement)

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

20 **Article – Insurance**

21 15–112.

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

23 (2) “ACCREDITED HOSPITAL” HAS THE MEANING STATED IN §  
24 19–301 OF THE HEALTH – GENERAL ARTICLE.

25 [(2)] (3) “Ambulatory surgical facility” has the meaning stated in §  
26 19–3B–01 of the Health – General Article.

27 [(3)] (4) (i) “Carrier” means:

28 1. an insurer;

29 2. a nonprofit health service plan;

30 3. a health maintenance organization;

31 4. a dental plan organization; or

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

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

5                   [(4)] (5) “Credentialing intermediary” means a person to whom a  
6 carrier has delegated credentialing or recredentialing authority and responsibility.

7                   [(5)] (6) “Enrollee” means a person entitled to health care benefits  
8 from a carrier.

9                   [(6)] (7) “Hospital” has the meaning stated in § 19–301 of the Health  
10 – General Article.

11                   (8) **“PARTICIPATING PROVIDER” MEANS A PROVIDER ON A**  
12 **CARRIER’S PROVIDER PANEL.**

13                   [(7)] (9) “Provider” means a health care practitioner or group of  
14 health care practitioners licensed, certified, or otherwise authorized by law to provide  
15 health care services.

16                   [(8)] (10) (i) “Provider panel” means the providers that contract  
17 either directly or through a subcontracting entity with a carrier to provide health care  
18 services to the carrier’s enrollees under the carrier’s health benefit plan.

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

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

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

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

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

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

3                   2.     the carrier's rejection of the provider for participation  
4 on the carrier's provider panel.

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

8                   (iii)   Except as provided in subsection (p) of this section, if, under  
9 subparagraph (i)1 of this paragraph, a carrier provides notice to the provider of its  
10 intent to continue to process the provider's application to obtain necessary  
11 credentialing information, the carrier, within 120 days after the date the notice is  
12 provided, shall:

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

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

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

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

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

26                   (iii)   The provider may return the completed application to the  
27 carrier.

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

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

32                   ~~(6)    IF A CARRIER ACCEPTS A PROVIDER FOR PARTICIPATION ON~~  
33 ~~THE CARRIER'S PROVIDER PANEL, THE CARRIER SHALL REIMBURSE THE~~  
34 ~~PROVIDER FOR ANY COVERED HEALTH CARE SERVICES THAT THE PROVIDER~~

~~1 PROVIDES TO ENROLLEES OF THE CARRIER ON OR AFTER THE DATE THAT THE~~  
~~2 PROVIDER'S COMPLETED APPLICATION WAS SUBMITTED TO THE CARRIER.~~

3 (Q) (1) NOTWITHSTANDING SUBSECTION (O)(1) OF THIS SECTION, A  
4 CARRIER SHALL REIMBURSE A GROUP PRACTICE ON THE CARRIER'S PROVIDER  
5 PANEL AT THE PARTICIPATING PROVIDER RATE FOR COVERED SERVICES  
6 PROVIDED BY A PROVIDER WHO IS NOT A PARTICIPATING PROVIDER IF:

7 (I) THE PROVIDER IS EMPLOYED BY OR A MEMBER OF THE  
8 GROUP PRACTICE;

9 (II) THE PROVIDER HAS APPLIED FOR ACCEPTANCE ON THE  
10 CARRIER'S PROVIDER PANEL AND THE CARRIER HAS NOTIFIED THE PROVIDER  
11 OF THE CARRIER'S INTENT TO CONTINUE TO PROCESS THE PROVIDER'S  
12 APPLICATION TO OBTAIN NECESSARY CREDENTIALING INFORMATION;

13 (III) THE PROVIDER HAS A VALID LICENSE ISSUED BY A  
14 HEALTH OCCUPATIONS BOARD TO PRACTICE IN THE STATE; AND

15 (IV) THE PROVIDER:

16 1. IS CURRENTLY CREDENTIALLED BY AN  
17 ACCREDITED HOSPITAL IN THE STATE; OR

18 2. HAS PROFESSIONAL LIABILITY INSURANCE.

19 (2) A CARRIER SHALL REIMBURSE A GROUP PRACTICE ON THE  
20 CARRIER'S PROVIDER PANEL IN ACCORDANCE WITH PARAGRAPH (1) OF THIS  
21 SUBSECTION FROM THE DATE THE NOTICE REQUIRED UNDER SUBSECTION  
22 (D)(3)(I)1 OF THIS SECTION IS SENT TO THE PROVIDER UNTIL THE DATE THE  
23 NOTICE REQUIRED UNDER SUBSECTION (D)(3)(III)2 OF THIS SECTION IS SENT  
24 TO THE PROVIDER.

25 (3) A CARRIER THAT SENDS WRITTEN NOTICE OF REJECTION OF A  
26 PROVIDER FOR CREDENTIALING UNDER SUBSECTION (D)(3)(III)2 OF THIS  
27 SECTION SHALL REIMBURSE THE PROVIDER AS A NONPARTICIPATING  
28 PROVIDER FOR COVERED SERVICES PROVIDED ON OR AFTER THE DATE THE  
29 NOTICE IS SENT.

30 (4) A HEALTH MAINTENANCE ORGANIZATION MAY NOT DENY  
31 PAYMENT TO A PROVIDER UNDER THIS SUBSECTION SOLELY BECAUSE THE  
32 PROVIDER WAS NOT A PARTICIPATING PROVIDER AT THE TIME THE SERVICES  
33 WERE PROVIDED TO AN ENROLLEE.

1           **(5) A PROVIDER WHO IS NOT A PARTICIPATING PROVIDER OF A**  
 2 **CARRIER AND WHOSE GROUP PRACTICE IS ELIGIBLE FOR REIMBURSEMENT**  
 3 **UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT HOLD AN ENROLLEE OF**  
 4 **THE CARRIER LIABLE FOR THE COST OF ANY COVERED SERVICES PROVIDED TO**  
 5 **THE ENROLLEE DURING THE TIME PERIOD DESCRIBED IN PARAGRAPH (2) OF**  
 6 **THIS SUBSECTION, EXCEPT FOR ANY DEDUCTIBLE, COPAYMENT, OR**  
 7 **COINSURANCE AMOUNT OWED BY THE ENROLLEE TO THE GROUP PRACTICE OR**  
 8 **PROVIDER UNDER THE TERMS OF THE ENROLLEE'S CONTRACT OR**  
 9 **CERTIFICATE.**

10           **(6) ~~(I)~~ A CARRIER MAY REQUIRE A A GROUP PRACTICE TO**  
 11 **SHALL DISCLOSE IN WRITING TO AN ENROLLEE AT THE TIME SERVICES ARE**  
 12 **PROVIDED THAT:**

13                           **~~1.~~ (I) THE TREATING PROVIDER IS NOT A**  
 14 **PARTICIPATING PROVIDER;**

15                           **~~2.~~ (II) THE TREATING PROVIDER HAS APPLIED TO**  
 16 **BECOME A PARTICIPATING PROVIDER;**

17                           **~~3.~~ (III) THE CARRIER HAS NOT COMPLETED ITS**  
 18 **ASSESSMENT OF THE QUALIFICATIONS OF THE TREATING PROVIDER TO**  
 19 **PROVIDE SERVICES AS A PARTICIPATING PROVIDER; AND**

20                           **~~4.~~ (IV) ANY COVERED SERVICES RECEIVED MUST**  
 21 **BE REIMBURSED BY THE CARRIER AT THE PARTICIPATING PROVIDER RATE.**

22                           **~~(H) A CARRIER MAY REQUIRE THE DISCLOSURE TO BE IN~~**  
 23 **WRITING AND ACKNOWLEDGED BY THE ENROLLEE.**

24                           **~~(H) A CARRIER MAY REQUIRE THE DISCLOSURE TO BE~~**  
 25 **PROVIDED AS A CONDITION OF REIMBURSEMENT AT THE PARTICIPATING**  
 26 **PROVIDER RATE UNDER THIS SUBSECTION IF:**

27                           **~~1. THE CARRIER HAS A UNIFORM POLICY THAT THE~~**  
 28 **DISCLOSURE IS A CONDITION OF REIMBURSEMENT AT THE PARTICIPATING**  
 29 **PROVIDER RATE UNDER THIS SUBSECTION;**

30                           **~~2. THE CARRIER DISCLOSES THE POLICY TO THE~~**  
 31 **GROUP PRACTICE;**

32                           **~~A. AT THE TIME OF CONTRACT EXECUTION;~~**

- 1                                    ~~**B.**    30 DAYS PRIOR TO IMPLEMENTATION OF THE~~
- 2 ~~**POLICY;**~~
- 3                                    ~~**C.**    30 DAYS BEFORE A CHANGE IN THE POLICY; AND~~
- 4                                    ~~**D.**    AT THE REQUEST OF THE GROUP PRACTICE; AND~~
- 5                                    ~~**3.**    THE CARRIER PROVIDES A STATEMENT OF THE~~
- 6 ~~**POLICY TO THE COMMISSIONER ON REQUEST.**~~

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.