

# SENATE BILL 595

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CF HB 594

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By: **Senators Astle, Della, and Klausmeier**  
Introduced and read first time: February 1, 2008  
Assigned to: Finance

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 30, 2008

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## 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 group practice to disclose certain information to an enrollee;  
13 authorizing a carrier to require a certain disclosure to be in writing and  
14 acknowledged by an enrollee; authorizing a carrier to require a certain  
15 disclosure as a condition of reimbursement at a certain rate under certain  
16 circumstances; defining certain terms; and generally relating to credentialing  
17 and reimbursement of providers of health care services.

18 BY repealing and reenacting, with amendments,  
19 Article – Insurance  
20 Section ~~15-112(d)~~ 15-112(a)  
21 Annotated Code of Maryland  
22 (2006 Replacement Volume and 2007 Supplement)

23 BY repealing and reenacting, without amendments,  
24 Article – Insurance

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

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

5                    ~~[(7)] (9)~~        “Provider” means a health care practitioner or group of  
6 health care practitioners licensed, certified, or otherwise authorized by law to provide  
7 health care services.

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

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

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

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

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

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

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

27    2.    the carrier’s rejection of the provider for participation  
28 on the carrier’s provider panel.

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

32                    (iii)    Except as provided in subsection (p) of this section, if, under  
33 subparagraph (i)1 of this paragraph, a carrier provides notice to the provider of its  
34 intent to continue to process the provider’s application to obtain necessary

1 credentialing information, the carrier, within 120 days after the date the notice is  
2 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 ~~(6) IF A CARRIER ACCEPTS A PROVIDER FOR PARTICIPATION ON~~  
23 ~~THE CARRIER'S PROVIDER PANEL, THE CARRIER SHALL REIMBURSE THE~~  
24 ~~PROVIDER FOR ANY COVERED HEALTH CARE SERVICES THAT THE PROVIDER~~  
25 ~~PROVIDES TO ENROLLEES OF THE CARRIER ON OR AFTER THE DATE THAT THE~~  
26 ~~PROVIDER'S COMPLETED APPLICATION WAS SUBMITTED TO THE CARRIER.~~

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

31 (I) THE PROVIDER IS EMPLOYED BY OR A MEMBER OF THE  
32 GROUP PRACTICE;

33 (II) THE PROVIDER HAS APPLIED FOR ACCEPTANCE ON THE  
34 CARRIER'S PROVIDER PANEL AND THE CARRIER HAS NOTIFIED THE PROVIDER

1 OF THE CARRIER'S INTENT TO CONTINUE TO PROCESS THE PROVIDER'S  
2 APPLICATION TO OBTAIN NECESSARY CREDENTIALING INFORMATION;

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

5 (IV) THE PROVIDER:

6 1. IS CURRENTLY CREDENTIALLED BY AN  
7 ACCREDITED HOSPITAL IN THE STATE; OR

8 2. HAS PROFESSIONAL LIABILITY INSURANCE.

9 (2) A CARRIER SHALL REIMBURSE A GROUP PRACTICE ON THE  
10 CARRIER'S PROVIDER PANEL IN ACCORDANCE WITH PARAGRAPH (1) OF THIS  
11 SUBSECTION FROM THE DATE THE NOTICE REQUIRED UNDER SUBSECTION  
12 (D)(3)(I)1 OF THIS SECTION IS SENT TO THE PROVIDER UNTIL THE DATE THE  
13 NOTICE REQUIRED UNDER SUBSECTION (D)(3)(III)2 OF THIS SECTION IS SENT  
14 TO THE PROVIDER.

15 (3) A CARRIER THAT SENDS WRITTEN NOTICE OF REJECTION OF A  
16 PROVIDER FOR CREDENTIALING UNDER SUBSECTION (D)(3)(III)2 OF THIS  
17 SECTION SHALL REIMBURSE THE PROVIDER AS A NONPARTICIPATING  
18 PROVIDER FOR COVERED SERVICES PROVIDED ON OR AFTER THE DATE THE  
19 NOTICE IS SENT.

20 (4) A HEALTH MAINTENANCE ORGANIZATION MAY NOT DENY  
21 PAYMENT TO A PROVIDER UNDER THIS SUBSECTION SOLELY BECAUSE THE  
22 PROVIDER WAS NOT A PARTICIPATING PROVIDER AT THE TIME THE SERVICES  
23 WERE PROVIDED TO AN ENROLLEE.

24 (5) A PROVIDER WHO IS NOT A PARTICIPATING PROVIDER OF A  
25 CARRIER AND WHOSE GROUP PRACTICE IS ELIGIBLE FOR REIMBURSEMENT  
26 UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT HOLD AN ENROLLEE OF  
27 THE CARRIER LIABLE FOR THE COST OF ANY COVERED SERVICES PROVIDED TO  
28 THE ENROLLEE DURING THE TIME PERIOD DESCRIBED IN PARAGRAPH (2) OF  
29 THIS SUBSECTION, EXCEPT FOR ANY DEDUCTIBLE, COPAYMENT, OR  
30 COINSURANCE AMOUNT OWED BY THE ENROLLEE TO THE GROUP PRACTICE OR  
31 PROVIDER UNDER THE TERMS OF THE ENROLLEE'S CONTRACT OR  
32 CERTIFICATE.

33 (6) (I) A CARRIER MAY REQUIRE A GROUP PRACTICE TO  
34 DISCLOSE TO AN ENROLLEE AT THE TIME SERVICES ARE PROVIDED THAT:

1                   **1. THE TREATING PROVIDER IS NOT A**  
2 **PARTICIPATING PROVIDER;**

3                   **2. THE TREATING PROVIDER HAS APPLIED TO**  
4 **BECOME A PARTICIPATING PROVIDER;**

5                   **3. THE CARRIER HAS NOT COMPLETED ITS**  
6 **ASSESSMENT OF THE QUALIFICATIONS OF THE TREATING PROVIDER TO**  
7 **PROVIDE SERVICES AS A PARTICIPATING PROVIDER; AND**

8                   **4. ANY COVERED SERVICES RECEIVED MUST BE**  
9 **REIMBURSED BY THE CARRIER AT THE PARTICIPATING PROVIDER RATE.**

10                   **(II) A CARRIER MAY REQUIRE THE DISCLOSURE TO BE IN**  
11 **WRITING AND ACKNOWLEDGED BY THE ENROLLEE.**

12                   **(III) A CARRIER MAY REQUIRE THE DISCLOSURE TO BE**  
13 **PROVIDED AS A CONDITION OF REIMBURSEMENT AT THE PARTICIPATING**  
14 **PROVIDER RATE UNDER THIS SUBSECTION IF:**

15                   **1. THE CARRIER HAS A UNIFORM POLICY THAT THE**  
16 **DISCLOSURE IS A CONDITION OF REIMBURSEMENT AT THE PARTICIPATING**  
17 **PROVIDER RATE UNDER THIS SUBSECTION;**

18                   **2. THE CARRIER DISCLOSES THE POLICY TO THE**  
19 **GROUP PRACTICE:**

20                   **A. AT THE TIME OF CONTRACT EXECUTION;**

21                   **B. 30 DAYS PRIOR TO IMPLEMENTATION OF THE**  
22 **POLICY;**

23                   **C. 30 DAYS BEFORE A CHANGE IN THE POLICY; AND**

24                   **D. AT THE REQUEST OF THE GROUP PRACTICE; AND**

25                   **3. THE CARRIER PROVIDES A STATEMENT OF THE**  
26 **POLICY TO THE COMMISSIONER ON REQUEST.**

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