

## CHAPTER 598

(Senate Bill 595)

AN ACT concerning

### **Health Insurance – Carrier Credentialing – Reimbursement of Providers of Health Care Services**

FOR the purpose of requiring certain carriers to reimburse ~~providers~~ a certain group practice at a certain rate during a certain time period for certain health care services provided ~~to enrollees on or after a certain date~~ by a certain provider under certain circumstances; requiring a carrier to reimburse a provider as a nonparticipating provider under certain circumstances; prohibiting a health maintenance organization from denying payment to a provider under certain circumstances; prohibiting a certain provider from holding an enrollee of a carrier liable for a certain cost with certain exceptions; ~~authorizing a carrier to require a~~ requiring a group practice to disclose *in writing* certain information to an enrollee; ~~authorizing a carrier to require a certain disclosure to be in writing and acknowledged by an enrollee; authorizing a carrier to require a certain disclosure as a condition of reimbursement at a certain rate under certain circumstances;~~ defining certain terms; and generally relating to credentialing and reimbursement of providers of health care services.

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

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

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

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

**Article – Insurance**

15–112.

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

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

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

**[(3)] (4) (i) “Carrier” means:**

1. an insurer;

2. a nonprofit health service plan;

3. a health maintenance organization;

4. a dental plan organization; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. accept or reject the provider for participation on the carrier’s provider panel; and

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

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

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

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

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

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

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

~~(6) IF A CARRIER ACCEPTS A PROVIDER FOR PARTICIPATION ON THE CARRIER'S PROVIDER PANEL, THE CARRIER SHALL REIMBURSE THE PROVIDER FOR ANY COVERED HEALTH CARE SERVICES THAT THE PROVIDER PROVIDES TO ENROLLEES OF THE CARRIER ON OR AFTER THE DATE THAT THE PROVIDER'S COMPLETED APPLICATION WAS SUBMITTED TO THE CARRIER.~~

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

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

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

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

**(IV) THE PROVIDER:**

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

2. HAS PROFESSIONAL LIABILITY INSURANCE.

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

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

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

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

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

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

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

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

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

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

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

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

~~2. THE CARRIER DISCLOSES THE POLICY TO THE GROUP PRACTICE;~~

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

~~B. 30 DAYS PRIOR TO IMPLEMENTATION OF THE POLICY;~~

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

~~D. AT THE REQUEST OF THE GROUP PRACTICE; AND~~

~~3. THE CARRIER PROVIDES A STATEMENT OF THE POLICY TO THE COMMISSIONER ON REQUEST.~~

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

Approved by the Governor, May 22, 2008.