

CHAPTER 673

(House Bill 815)

AN ACT concerning

Health Insurance – Reimbursement of Health Care Practitioners – Information Provided by Carriers

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

BY repealing and reenacting, with amendments,
Article – Insurance
Section 15–113
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

15–113.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Carrier” means:
 - (i) an insurer;
 - (ii) a nonprofit health service plan;
 - (iii) a health maintenance organization;
 - (iv) a dental plan organization; or
 - (v) any other person that provides health benefit plans subject to regulation by the State.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) **IN WRITING** at the time of contract execution;
- (ii) **IN WRITING OR ELECTRONICALLY** 30 days prior to a change; and
- (iii) **IN WRITING OR ELECTRONICALLY** upon request of the health care practitioner.

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

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

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

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

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

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

Approved by the Governor, May 22, 2008.