

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

House Bill 413 (Delegates Costa and Kipke)  
Health and Government Operations

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**Health Maintenance Organizations - Nonparticipating Providers - Billing of  
Enrollees and Subscribers for Covered Services**

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This bill authorizes a noncontracting health care provider to balance bill an HMO subscriber or enrollee for any payment or charges for covered services.

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**Fiscal Summary**

**State Effect:** Additional consumer complaints received by the Maryland Insurance Administration could be handled with existing resources. If complaint volume is significantly increased, additional resources could be requested through the annual budget process.

**Local Effect:** None.

**Small Business Effect:** A small business health care provider that does not contract with an HMO but provides services to its enrollees could bill enrollees for services not paid by the HMO.

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**Analysis**

**Bill Summary:** A health care provider or representative of a health care provider may collect or attempt to collect from an HMO subscriber or enrollee, if the health care provider is not under written contract with the HMO, any payment or charges for covered services provided by the health care provider.

**Current Law:** An HMO must reimburse a health care provider for services rendered to an enrollee as long as the service is covered by the HMO. A covered service is any health care service included in the HMO's benefit package and rendered to an enrollee by a health care provider under contract with the HMO or a noncontracting provider when the service is • obtained in accordance with the terms of the benefit contract; • obtained pursuant to a verbal or written referral; or • preauthorized or otherwise approved by the HMO. Providers may not collect or attempt to collect from any enrollee any money owed to the provider by an HMO.

An HMO enrollee is not liable to any health care provider for any covered services provided to the enrollee. A health care provider may collect or attempt to collect • any copayment or coinsurance amounts owed by an HMO enrollee; • any amount up to the Medicare approved or limiting amount if Medicare is the primary insurer and the service provided is a Medicare covered service; or • any payment or charges for services not covered by the HMO.

For a covered service rendered to an HMO enrollee by a noncontracting provider, an HMO must pay the provider within 30 days of receipt of the claim. An HMO must pay the claim submitted by a hospital at a rate approved by the Health Services Cost Review Commission. For noncontracting trauma physicians, an HMO must pay the greater of • 140% of the Medicare rate; or • the rate the HMO paid, as of January 1, 2001, in the same geographic area, for the same covered service, to a similarly licensed provider. An HMO must pay any other noncontracting provider the greater of • 125% of the rate the HMO currently pays; or • the rate the HMO paid, as of January 1, 2000, in the same geographic area, for the same covered service, to a similarly licensed provider.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Budget and Management, Department of Legislative Services

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mll/ljm

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