

HOUSE BILL 141

C3, C4

9lr0048

By: **Chair, Health and Government Operations Committee (By Request –
Departmental – Insurance Administration, Maryland)**

Introduced and read first time: January 23, 2009

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Contracts Between Insurers and Health Care Providers –**
3 **Prohibitions**

4 FOR the purpose of prohibiting an insurer and an entity that contracts with health
5 care providers on behalf of an insurer from assigning, transferring, or
6 subcontracting a health care provider's contract to an insurer that offers
7 personal injury protection coverage or workers' compensation insurance under
8 certain circumstances; prohibiting an insurer and an entity that contracts
9 directly with health care providers on behalf of an insurer from terminating,
10 limiting, or otherwise impairing the contract or employment of a health care
11 provider with the insurer under certain circumstances; requiring insurers and
12 entities that contract with health care providers on behalf of insurers to provide
13 certain information to a health care provider at certain times; defining certain
14 terms; and generally relating to contracts between insurers and health care
15 providers.

16 BY adding to
17 Article – Insurance
18 Section 19–115
19 Annotated Code of Maryland
20 (2006 Replacement Volume and 2008 Supplement)

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

23 **Article – Insurance**

24 **19–115.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
2 MEANINGS INDICATED.

3 (2) "CONTRACT" MEANS THE IMPLIED OR EXPRESS AGREEMENT
4 BETWEEN A HEALTH CARE PROVIDER AND AN INSURER OR AN ENTITY THAT
5 CONTRACTS WITH HEALTH CARE PROVIDERS ON BEHALF OF AN INSURER,
6 INCLUDING THE RIGHTS, OBLIGATIONS, AND FEE SCHEDULE FOR THE
7 PROVISION OF HEALTH CARE SERVICES.

8 (3) "HEALTH CARE PROVIDER" MEANS AN INDIVIDUAL WHO IS
9 LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH
10 OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE SERVICES.

11 (B) (1) AN INSURER OR AN ENTITY THAT CONTRACTS DIRECTLY WITH
12 HEALTH CARE PROVIDERS ON BEHALF OF AN INSURER MAY NOT IN ANY
13 MANNER ASSIGN, TRANSFER, OR SUBCONTRACT A HEALTH CARE PROVIDER'S
14 CONTRACT, WHOLLY OR PARTLY, TO AN INSURER THAT OFFERS PERSONAL
15 INJURY PROTECTION COVERAGE UNDER § 19-505 OF THIS TITLE WITHOUT
16 FIRST INFORMING THE HEALTH CARE PROVIDER AND OBTAINING THE HEALTH
17 CARE PROVIDER'S EXPRESS WRITTEN CONSENT.

18 (2) AN INSURER OR AN ENTITY THAT CONTRACTS WITH HEALTH
19 CARE PROVIDERS ON BEHALF OF AN INSURER MAY NOT TERMINATE, LIMIT, OR
20 OTHERWISE IMPAIR THE CONTRACT OR EMPLOYMENT OF A HEALTH CARE
21 PROVIDER WITH THE INSURER ON THE BASIS THAT THE HEALTH CARE
22 PROVIDER REFUSED TO AGREE TO AN ASSIGNMENT, TRANSFER, OR
23 SUBCONTRACT OF ALL OR PART OF THE HEALTH CARE PROVIDER'S CONTRACT
24 TO AN INSURER THAT OFFERS PERSONAL INJURY PROTECTION COVERAGE
25 UNDER § 19-505 OF THIS TITLE.

26 (C) (1) AN INSURER OR AN ENTITY THAT CONTRACTS DIRECTLY WITH
27 HEALTH CARE PROVIDERS ON BEHALF OF AN INSURER MAY NOT IN ANY
28 MANNER ASSIGN, TRANSFER, OR SUBCONTRACT A HEALTH CARE PROVIDER'S
29 CONTRACT, WHOLLY OR PARTLY, TO AN INSURER THAT OFFERS WORKERS'
30 COMPENSATION INSURANCE WITHOUT FIRST INFORMING THE HEALTH CARE
31 PROVIDER AND OBTAINING THE HEALTH CARE PROVIDER'S EXPRESS WRITTEN
32 CONSENT.

33 (2) AN INSURER OR AN ENTITY THAT CONTRACTS WITH HEALTH
34 CARE PROVIDERS ON BEHALF OF AN INSURER MAY NOT TERMINATE, LIMIT, OR
35 OTHERWISE IMPAIR THE CONTRACT OR EMPLOYMENT OF A HEALTH CARE
36 PROVIDER WITH THE INSURER ON THE BASIS THAT THE HEALTH CARE
37 PROVIDER REFUSED TO AGREE TO AN ASSIGNMENT, TRANSFER, OR

1 SUBCONTRACT OF ALL OR PART OF THE HEALTH CARE PROVIDER'S CONTRACT
2 TO AN INSURER THAT OFFERS WORKERS' COMPENSATION INSURANCE.

3 (D) AN INSURER OR AN ENTITY THAT CONTRACTS WITH HEALTH CARE
4 PROVIDERS ON BEHALF OF AN INSURER SHALL PROVIDE TO A HEALTH CARE
5 PROVIDER A SCHEDULE OF APPLICABLE FEES FOR UP TO THE 50 MOST COMMON
6 SERVICES BILLED BY A HEALTH CARE PROVIDER IN THAT SPECIALTY:

7 (1) IN WRITING AT THE TIME OF CONTRACT EXECUTION;

8 (2) IN WRITING OR ELECTRONICALLY 30 DAYS PRIOR TO A
9 CHANGE; AND

10 (3) IN WRITING OR ELECTRONICALLY UPON REQUEST OF THE
11 HEALTH CARE PROVIDER.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2009.