

HOUSE BILL 141

C3, C4, K1

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

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 2009

CHAPTER _____

1 AN ACT concerning

2 **~~Insurance - Contracts Between Insurers and Health Care Providers -~~**
3 **Prohibitions Insurer Provider Panels - Health Care Providers**

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 from using an insurer~~
12 provider panel if the provider contract for the insurer provider panel requires a
13 provider to participate on the insurer provider panel as a condition of
14 participating on a health maintenance organization provider panel or a
15 non-health maintenance organization provider panel; requiring insurers and
16 ~~entities that contract with health care providers on behalf of insurers~~ an entity
17 arranging an insurer provider panel to provide certain information to a health
18 care provider at certain times; defining certain terms; and generally relating to
19 ~~contracts between insurers~~ insurer provider panels and health care providers.

20 BY adding to

21 Article - Insurance

22 Section 19-115

23 Annotated Code of Maryland

24 (2006 Replacement Volume and 2008 Supplement)

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

3 **Article - Insurance**

4 **19-115.**

5 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE~~
6 ~~MEANINGS INDICATED.~~

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

12 ~~(3) "HEALTH CARE PROVIDER" MEANS AN INDIVIDUAL WHO IS~~
13 ~~LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH~~
14 ~~OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE SERVICES.~~

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

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

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

1 ~~(2) AN INSURER OR AN ENTITY THAT CONTRACTS WITH HEALTH~~
2 ~~CARE PROVIDERS ON BEHALF OF AN INSURER MAY NOT TERMINATE, LIMIT, OR~~
3 ~~OTHERWISE IMPAIR THE CONTRACT OR EMPLOYMENT OF A HEALTH CARE~~
4 ~~PROVIDER WITH THE INSURER ON THE BASIS THAT THE HEALTH CARE~~
5 ~~PROVIDER REFUSED TO AGREE TO AN ASSIGNMENT, TRANSFER, OR~~
6 ~~SUBCONTRACT OF ALL OR PART OF THE HEALTH CARE PROVIDER'S CONTRACT~~
7 ~~TO AN INSURER THAT OFFERS WORKERS' COMPENSATION INSURANCE.~~

8 ~~(D) AN INSURER OR AN ENTITY THAT CONTRACTS WITH HEALTH CARE~~
9 ~~PROVIDERS ON BEHALF OF AN INSURER SHALL PROVIDE TO A HEALTH CARE~~
10 ~~PROVIDER A SCHEDULE OF APPLICABLE FEES FOR UP TO THE 50 MOST COMMON~~
11 ~~SERVICES BILLED BY A HEALTH CARE PROVIDER IN THAT SPECIALTY;~~

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

13 ~~(2) IN WRITING OR ELECTRONICALLY 30 DAYS PRIOR TO A~~
14 ~~CHANGE; AND~~

15 ~~(3) IN WRITING OR ELECTRONICALLY UPON REQUEST OF THE~~
16 ~~HEALTH CARE PROVIDER.~~

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

19 (2) "HEALTH CARE PROVIDER" MEANS AN INDIVIDUAL WHO IS
20 LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH
21 OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE SERVICES.

22 (3) "HMO PROVIDER PANEL" MEANS A PROVIDER PANEL FOR
23 ONE OR MORE HEALTH MAINTENANCE ORGANIZATIONS.

24 (4) "INSURER PROVIDER PANEL" MEANS A PROVIDER PANEL FOR
25 ONE OR MORE INSURERS ENGAGED IN THE BUSINESS OF CASUALTY INSURANCE
26 OR PROPERTY INSURANCE.

27 (5) "NON-HMO PROVIDER PANEL" MEANS A PROVIDER PANEL
28 FOR ONE OR MORE NONPROFIT HEALTH SERVICE PLANS OR INSURERS.

29 (6) "PROVIDER CONTRACT" MEANS A CONTRACT BETWEEN A
30 HEALTH CARE PROVIDER AND AN ENTITY THAT CONTRACTS WITH A HEALTH
31 CARE PROVIDER TO SERVE ON AN INSURER PROVIDER PANEL, AN HMO
32 PROVIDER PANEL, OR A NON-HMO PROVIDER PANEL.

1 **(B) (1) AN INSURER MAY NOT USE AN INSURER PROVIDER PANEL IF**
 2 **THE PROVIDER CONTRACT FOR THE INSURER PROVIDER PANEL REQUIRES A**
 3 **PROVIDER TO PARTICIPATE ON THE INSURER PROVIDER PANEL AS A CONDITION**
 4 **OF PARTICIPATING ON AN HMO PROVIDER PANEL OR A NON-HMO PROVIDER**
 5 **PANEL.**

6 **(2) AN ENTITY ARRANGING AN INSURER PROVIDER PANEL SHALL**
 7 **PROVIDE A HEALTH CARE PROVIDER A SCHEDULE OF APPLICABLE FEES FOR UP**
 8 **TO THE 50 MOST COMMON SERVICES BILLED BY A HEALTH CARE PROVIDER IN**
 9 **THE SPECIALTY OF THE HEALTH CARE PROVIDER:**

10 **(I) IN WRITING AT THE TIME OF EXECUTION OF A**
 11 **PROVIDER CONTRACT;**

12 **(II) IN WRITING OR ELECTRONICALLY 30 DAYS BEFORE A**
 13 **CHANGE IN THE SCHEDULE OF APPLICABLE FEES; AND**

14 **(III) IN WRITING OR ELECTRONICALLY ON REQUEST OF THE**
 15 **HEALTH CARE PROVIDER.**

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.