

# HOUSE BILL 734

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9lr3018  
CF 9lr2887

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By: **Delegates Tarrant, Benson, Conaway, Costa, Kullen, Morhaim,  
Nathan-Pulliam, Riley, Robinson, and V. Turner**  
Introduced and read first time: February 10, 2009  
Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Participation by Hospitals on Provider Panels –**  
3 **Prohibited Rejections or Conditions**

4 FOR the purpose of prohibiting certain health insurance carriers from rejecting a  
5 hospital for participation on a carrier's provider panel or conditioning a  
6 hospital's participation on a carrier's provider panel based on whether a certain  
7 health care provider participates on the carrier's provider panel; making a  
8 violation of certain provisions of this Act an unfair and deceptive act or practice  
9 in the business of insurance; applying certain provisions of this Act to health  
10 maintenance organizations; and generally relating to health insurance carriers  
11 and provider panels.

12 BY adding to

13 Article – Health – General  
14 Section 19–706(ttt)  
15 Annotated Code of Maryland  
16 (2005 Replacement Volume and 2008 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – Insurance  
19 Section 15–112(a)(1), (4), (7), (9), and (10)  
20 Annotated Code of Maryland  
21 (2006 Replacement Volume and 2008 Supplement)

22 BY adding to

23 Article – Insurance  
24 Section 15–112(p–1) and 27–223  
25 Annotated Code of Maryland  
26 (2006 Replacement Volume and 2008 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Health – General**

4 19–706.

5 **(TTT) THE PROVISIONS OF § 27–223 OF THE INSURANCE ARTICLE APPLY**  
6 **TO HEALTH MAINTENANCE ORGANIZATIONS.**

7 **Article – Insurance**

8 15–112.

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

10 (4) (i) “Carrier” means:

11 1. an insurer;

12 2. a nonprofit health service plan;

13 3. a health maintenance organization;

14 4. a dental plan organization; or

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

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

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

21 (9) “Provider” means a health care practitioner or group of health care  
22 practitioners licensed, certified, or otherwise authorized by law to provide health care  
23 services.

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

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

1           **(P-1) A CARRIER MAY NOT REJECT A HOSPITAL FOR PARTICIPATION ON**  
2 **THE CARRIER'S PROVIDER PANEL OR CONDITION A HOSPITAL'S PARTICIPATION**  
3 **ON THE CARRIER'S PROVIDER PANEL BASED ON WHETHER A PROVIDER WHO**  
4 **HAS PRIVILEGES AT THE HOSPITAL PARTICIPATES ON THE CARRIER'S**  
5 **PROVIDER PANEL.**

6 **27-223.**

7           **A PERSON MAY NOT VIOLATE § 15-112(P-1) OF THIS ARTICLE.**

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 June 1, 2009.