

# SENATE BILL 481

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CF HB 145

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By: ~~Senator Pipkin~~ Senators Pipkin, Middleton, Astle, Della, Exum, Garagiola, Glassman, Kelley, Kittleman, Klausmeier, and Pugh

Introduced and read first time: February 4, 2009

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 5, 2009

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Insurance - Dental Provider Panels - Provider Contracts**

3 FOR the purpose of ~~repealing the exception of certain provider contracts for dental~~  
4 ~~provider panels from certain provisions of law; requiring a provider contract for~~  
5 ~~a dental provider panel to disclose the carriers that comprise each provider~~  
6 ~~panel; prohibiting a provider contract for a dental provider panel from~~  
7 ~~containing a provision requiring a provider to accept certain schedules of fees~~  
8 ~~under certain circumstances; prohibiting a provider contract for a dental~~  
9 ~~provider panel from requiring a provider to treat certain enrollees of certain~~  
10 ~~carriers under certain circumstances; prohibiting a provider contract from~~  
11 containing a provision that requires a provider, as a condition of participating in  
12 a fee-for-service dental provider panel, to participate in a capitated dental  
13 provider panel; requiring the Maryland Insurance Administration to conduct a  
14 certain review and report its findings and certain recommendations to certain  
15 committees of the General Assembly on or before a certain date; defining a  
16 certain term; altering a certain definition; providing for the application of  
17 certain provisions of this Act; providing for the effective ~~date~~ dates of this Act;  
18 and generally relating to health insurance provider contracts for dental provider  
19 panels.

20 BY repealing and reenacting, with amendments,

21 Article - Insurance

22 Section 15-112.2

23 Annotated Code of Maryland

24 (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.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(As enacted by Chapter 688 of the Acts of the General Assembly of 2008)

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

**Article – Insurance**

15–112.2.

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

**(2) “CAPITATED DENTAL PROVIDER PANEL” MEANS A PROVIDER PANEL FOR ONE OR MORE DENTAL PLAN ORGANIZATIONS OFFERING CONTRACTS ONLY FOR DENTAL SERVICES REIMBURSED ON A CAPITATED BASIS FOR CERTAIN SERVICES.**

~~(2)~~ **(3)** “Carrier” means:

- (i) an insurer;
- (ii) a nonprofit health service plan;
- (iii) a health maintenance organization; or
- (iv) a dental plan organization.

~~(3)~~ **(4)** “~~Dental~~ **FEE-FOR-SERVICE DENTAL** provider panel” means a provider panel for one or more dental plan organizations, insurers, or nonprofit health service plans offering contracts only for dental services **REIMBURSED ON A FULL OR DISCOUNTED FEE-FOR-SERVICE BASIS.**

~~(4)~~ **(5)** “Enrollee” means a person entitled to health care benefits from a carrier.

~~(5)~~ **(6)** “HMO provider panel” means a provider panel for one or more health maintenance organizations.

~~(6)~~ **(7)** “Managed care organization” has the meaning stated in § 15–101 of the Health – General Article.

~~(7)~~ **(8)** “Non-HMO provider panel” means a provider panel for one or more nonprofit health service plans or insurers.

~~(8)~~ **(9)** “Provider” has the meaning stated in § 19–701 of the Health – General Article.

1           ~~(9)~~ **(10)**       “Provider contract” means a contract:

2                       (i)       between a provider and a carrier, an affiliate of a carrier, or  
3 an entity that contracts with a provider to serve a carrier; and

4                       (ii)       under which the provider agrees to provide health care  
5 services to enrollees.

6           ~~(10)~~ **(11)**       “Provider panel” means the providers that contract either  
7 directly or through a subcontracting entity with a carrier to provide health care  
8 services to enrollees.

9           (b)       (1)       A provider contract may not contain a provision that requires a  
10 provider;

11                       **(I)**       as a condition of participating in a non-HMO provider  
12 panel, to participate in an ~~HMO provider panel or dental provider panel~~ **HMO**  
13 **PROVIDER PANEL; OR**

14                       **(II) AS A CONDITION OF PARTICIPATING IN A**  
15 **FEE-FOR-SERVICE DENTAL PROVIDER PANEL, TO PARTICIPATE IN A CAPITATED**  
16 **DENTAL PROVIDER PANEL.**

17                       (2)       Notwithstanding paragraph (1) of this subsection, a provider  
18 contract may contain a provision that requires a provider, as a condition of  
19 participating in a non-HMO provider panel, an HMO provider panel, or a dental  
20 provider panel, to participate in a managed care organization.

21           (c)       ~~(1)~~       This subsection does not apply to a provider contract for a dental  
22 provider panel.

23                       ~~(2)~~       Each provider contract shall disclose the carriers comprising each  
24 provider panel.

25           (d)       ~~(1)~~       This subsection does not apply to a provider contract for a dental  
26 provider panel.

27                       ~~(2)~~ ~~(1)~~       If a provider contract includes more than one schedule of  
28 applicable fees, the provider contract may not contain a provision that requires a  
29 provider as a condition of participation to accept each schedule of applicable fees  
30 included in the provider contract.

31                       ~~(3)~~ ~~(2)~~       If a provider rejects a schedule of applicable fees, the  
32 provider contract may not require the provider to treat the enrollees of the carriers  
33 that reimburse the provider in accordance with any of the rejected schedules of  
34 applicable fees.

1           ~~[(4)] (3)~~     ~~[~~Notwithstanding the provisions of paragraph (1) of this  
 2 subsection, ~~a] A~~ provider contract may include a provision that requires a provider, as  
 3 a condition of participation, to accept each schedule of applicable fees for a carrier that  
 4 is not affiliated through common ownership with the entity arranging the provider  
 5 panel.

6           (e)    If a provider elects to terminate participation on a provider panel, the  
 7 provider shall:

8                   (1)    notify the carrier at least 90 days before the date of termination;  
 9 and

10                   (2)    for at least 90 days after the date of the notice of termination,  
 11 continue to furnish health care services to an enrollee of the carrier for whom the  
 12 provider was responsible for the delivery of health care services before the notice of  
 13 termination.

14           SECTION 2. AND BE IT FURTHER ENACTED, That:

15           (a)    The Maryland Insurance Administration shall conduct a review of dental  
 16 provider contracts, the terms and conditions of the contracts, and the impact that the  
 17 contracts have on the dental profession.

18           (b)    (1)    On or before December 31, 2009, the Administration shall report  
 19 its findings, in accordance with § 2-1246 of the State Government Article, to the  
 20 House Health and Government Operations Committee and the Senate Finance  
 21 Committee.

22                   (2)    In the report required under this subsection, the Administration  
 23 shall provide recommendations to the committees concerning whether the provisions  
 24 of § 15-112.2(c) and (d) of the Insurance Article should apply to provider contracts for  
 25 dental provider panels.

26           ~~SECTION 2. 3.~~ AND BE IT FURTHER ENACTED, That Section 1 of this Act  
 27 shall apply to all provider contracts issued or renewed in the State on or after October  
 28 1, 2009, or, for provider contracts in effect in the State on October 1, 2009, but not  
 29 subject to renewal before October 1, 2010, no later than October 1, 2010.

30           ~~SECTION 2. 4.~~ AND BE IT FURTHER ENACTED, That Section 1 of this Act  
 31 shall take effect October 1, 2009, the effective date of Chapter 688 of the Acts of the  
 32 General Assembly of 2008. If the effective date of Chapter 688 is amended, this Act  
 33 shall take effect on the taking effect of Chapter 688.

34           SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in  
 35 Section 4 of this Act, this Act shall take effect June 1, 2009.

