**SB 481**

# Department of Legislative Services

Maryland General Assembly
2009 Session

## FISCAL AND POLICY NOTE
**Revised**

Senate Bill 481 (Senator Pipkin, *et al.*)
Finance Health and Government Operations

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

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This bill prohibits a provider contract from requiring a provider, as a condition of participating in a "fee-for-service dental provider panel," to participate in a "capitated dental provider panel." The Maryland Insurance Administration (MIA) has to review dental provider contracts, the terms and conditions of the contracts, and the impact that the contracts have on the dental profession and report its findings and recommendations by December 31, 2009.

The bill has multiple effective dates. The review and reporting requirement takes effect June 1, 2009. Otherwise, the bill takes effect October 1, 2009, or the effective date of Chapter 688 of 2008 if amended. The bill applies to all provider contracts issued or renewed on or after October 1, 2009. For those contracts in effect on October 1, 2009, but not subject to renewal before October 1, 2010, it applies no later than October 1, 2010.

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## Fiscal Summary

**State Effect:** Minimal increase in special fund revenues for MIA in FY 2010 from the $125 rate and form filing fee. Review and approval of forms and rate filings and the reporting requirement can be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** A "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. A "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.

**Current Law:** Chapter 688 of 2008 altered certain provisions of law regarding provider contracts. Effective October 1, 2009, a provider contract may not require a provider, as a condition of participating in a nonhealth maintenance organization (HMO) provider panel, to participate in an HMO provider panel or dental provider panel. A provider contract may require a provider to participate in a managed care organization (MCO).

Provider contracts have to disclose the carriers comprising each provider panel. If a provider contract includes more than one schedule of applicable fees, the contract may not require a provider, as a condition of participation, to accept each schedule. If a provider rejects a schedule, the provider contract may not require the provider to treat enrollees in accordance with any schedule rejected by the provider. A provider contract may include a provision that requires a provider, as a condition of participation, to accept each schedule of applicable fees for a carrier that is not affiliated through common ownership with the entity arranging the provider panel. These provisions do not apply to a provider contract for a dental provider panel.

**Background:** Carriers began requiring certain health care providers, as a condition of participating on one panel, to participate on others, which may have caused administrative or financial burdens for certain providers. As a result, Chapters 253 and 254 of 2000 prohibited carriers from requiring provider panel participation. However, some carrier affiliates or entities that arrange provider panels have been requiring provider participation on more than one provider panel.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** HB 145 (Delegates Kach and Boteler) - Health and Government Operations.

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

**Fiscal Note History:** First Reader - February 10, 2009
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