

SENATE BILL 885

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0lr2446

By: **Senators Klausmeier and Astle**

Introduced and read first time: February 15, 2010

Assigned to: Rules

Re-referred to: Finance, February 19, 2010

Committee Report: Favorable

Senate action: Adopted

Read second time: March 17, 2010

CHAPTER _____

1 AN ACT concerning

2 **Health – Administrative Service Provider Contracts – Contracting Provider**
3 **Definition**

4 FOR the purpose of excluding a medical laboratory, as defined by a certain provision of
5 law, from the definition of “contracting provider” as it concerns provisions of law
6 relating to health maintenance organizations and certain administrative service
7 provider contracts; and generally relating to administrative service provider
8 contracts.

9 BY repealing and reenacting, with amendments,
10 Article – Health – General
11 Section 19–713.2(a)
12 Annotated Code of Maryland
13 (2009 Replacement Volume)

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

16 **Article – Health – General**

17 19–713.2.

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

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 (2) "Administrative service provider contract" means a contract or
2 capitation agreement between a health maintenance organization and a contracting
3 provider which includes requirements that:

4 (i) The contracting provider accept payments from a health
5 maintenance organization for health care services to be provided to members of the
6 health maintenance organization that the contracting provider arranges to be
7 provided by external providers; and

8 (ii) The contracting provider administer payments pursuant to
9 the contract with the health maintenance organization for the health care services to
10 the external providers.

11 (3) (I) "Contracting provider" means a person who enters into an
12 administrative service provider contract with a health maintenance organization.

13 (II) **"CONTRACTING PROVIDER" DOES NOT INCLUDE A**
14 **MEDICAL LABORATORY AS DEFINED IN § 17-201 OF THIS ARTICLE.**

15 (4) "External provider" means a health care provider, including a
16 physician or hospital, who is not:

17 (i) A contracting provider; or

18 (ii) An employee, shareholder, or partner of a contracting
19 provider.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2010.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.