C3 1lr1816 CF HB 444

By: Senator Klausmeier

Introduced and read first time: February 4, 2011

Assigned to: Finance

2

A BILL ENTITLED

1 AN ACT concerning

Health Insurance - Provider Panels - Notice of Receipt of Application

- FOR the purpose of requiring certain health insurance carriers that receive a complete application from a health care provider that seeks to participate on a provider panel of a carrier to notify the health care provider that the application is complete; requiring notice to be given to a health care provider at a certain address and within a certain period of time; clarifying certain language; and generally relating to participation of health care providers on provider panels of
- 9 health insurance carriers.
- 10 BY repealing and reenacting, without amendments,
- 11 Article Insurance
- 12 Section 15–112(a)(1), (4), (9), and (10)
- 13 Annotated Code of Maryland
- 14 (2006 Replacement Volume and 2010 Supplement)
- 15 BY repealing and reenacting, with amendments,
- 16 Article Insurance
- 17 Section 15–112(d)
- 18 Annotated Code of Maryland
- 19 (2006 Replacement Volume and 2010 Supplement)
- 20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 21 MARYLAND, That the Laws of Maryland read as follows:
- 22 Article Insurance
- 23 15–112.
- 24 (a) (1) In this section the following words have the meanings indicated.

1	(4) (i) "Carrier" means:
2	1. an insurer;
3	2. a nonprofit health service plan;
4	3. a health maintenance organization;
5	4. a dental plan organization; or
6 7	5. any other person that provides health benefit plans subject to regulation by the State.
8 9	(ii) "Carrier" includes an entity that arranges a provider panel for a carrier.
10 11 12	(9) "Provider" means a health care practitioner or group of health care practitioners licensed, certified, or otherwise authorized by law to provide health care services.
13 14 15	(10) (i) "Provider panel" means the providers that contract either directly or through a subcontracting entity with a carrier to provide health care services to the carrier's enrollees under the carrier's health benefit plan.
16 17 18	(ii) "Provider panel" does not include an arrangement in which any provider may participate solely by contracting with the carrier to provide health care services at a discounted fee–for–service rate.
19 20	(d) (1) A provider that seeks to participate on a provider panel of a carrier shall submit an application to the carrier.
21 22 23	(2) (i) Subject to paragraph (3) of this subsection, the carrier, after reviewing the application, shall accept or reject the provider for participation on the carrier's provider panel.
24 25 26	(ii) If the carrier rejects the provider for participation on the carrier's provider panel, the carrier shall send to the provider at the address listed in the application written notice of the rejection.
27 28 29 30	(3) (i) [Except as provided in] SUBJECT TO paragraph (4) of this subsection, within 30 days after the date a carrier receives a completed application, the carrier shall send to the provider at the address listed in the application written notice of:
31 32	1. the carrier's intent to continue to process the provider's application to obtain necessary credentialing information; or

1 the carrier's rejection of the provider for participation 2. 2 on the carrier's provider panel. 3 The failure of a carrier to provide the notice required under (ii) 4 subparagraph (i) of this paragraph is a violation of this article and the carrier is 5 subject to the penalties provided by § 4–113(d) of this article. 6 (iii) Except as provided in subsection (o) of this section, if, under 7 subparagraph (i)1 of this paragraph, a carrier provides notice to the provider of its 8 intent to continue to process the provider's application to obtain necessary 9 credentialing information, the carrier, within 120 days after the date the notice is 10 provided, shall: accept or reject the provider for participation on the 11 1. 12 carrier's provider panel; and 13 2. send written notice of the acceptance or rejection to 14 the provider at the address listed in the application. 15 The failure of a carrier to provide the notice required under subparagraph (iii)2 of this paragraph is a violation of this article and the carrier is 16 17 subject to the provisions of and penalties provided by §§ 4-113 and 4-114 of this 18 article. 19 **(4) (I)** 1. Α **CARRIER THAT** RECEIVES \mathbf{A} COMPLETE APPLICATION SHALL NOTIFY THE PROVIDER THAT THE APPLICATION IS 20 21COMPLETE. 222. NOTICE SHALL BE GIVEN TO THE PROVIDER AT THE ADDRESS LISTED IN THE APPLICATION WITHIN 10 DAYS AFTER THE DATE 2324THE APPLICATION IS RECEIVED. 25 [(i)] (II) 1. A carrier that receives an incomplete application shall return the application to the provider at the address listed in the 2627 application within 10 days after the date the application is received. 28 [(ii)] **2.** The carrier shall indicate to the provider what 29 information is needed to make the application complete. 30 [(iii)] **3.** The provider may return the completed application to 31 the carrier.

32 **[(iv)] 4.** After the carrier receives the completed application, 33 the carrier is subject to the time periods established in paragraph (3) of this 34 subsection.

SENATE BILL 710

- 1 (5) A carrier may charge a reasonable fee for an application submitted 2 to the carrier under this section.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 4 October 1, 2011.