

**Department of Legislative Services**  
Maryland General Assembly  
2011 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 444

(Delegate Nathan-Pulliam)

Health and Government Operations

Finance

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**Health Insurance - Provider Panels - Notice of Receipt of Application**

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This bill requires a carrier that receives a complete application from a health care provider to participate in the carrier's provider panel to notify the provider that the application is complete. A notice from an online credentialing system to the provider that the carrier has received the application must be considered notice that the application is complete. A carrier that arranges a dental provider panel is exempt from the notice requirement until the Insurance Commissioner certifies that the online credentialing system is capable of accepting the uniform credentialing form for dental provider panels.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Background:** Carriers (including insurers, nonprofit health service plans, health maintenance organizations, and dental plan organizations) that use a provider panel, and any third party that arranges a provider panel for a carrier, must establish procedures to review applications for participation in the carrier's provider panel.

Providers seeking to participate must submit an application to the carrier. A carrier may charge a reasonable fee for provider panel applications. If a carrier receives an incomplete application, the carrier must return the application to the provider within 10 days of receipt and indicate what information is required for completion.

Within 30 days of receipt of a completed application, the carrier must send the provider written notice of the carrier's intent to continue to process the provider's application to obtain necessary credentialing information or the carrier's rejection of the provider for participation. Failure to provide such notice is a violation of the Insurance Article and is subject to a fine of at least \$100 and up to \$125,000 per violation.

If the carrier provides notice of intent to continue to process the provider's application, the carrier, within 120 days after the date the notice is provided, must accept or reject the application and send written notice of the acceptance or rejection. Failure to provide such notice is a violation of the Insurance Article and is subject to a cease and desist order from the Insurance Commissioner, revocation of a certificate of authority, and/or a fine of at least \$100 and up to \$125,000 per violation.

The Insurance Commissioner is authorized to designate a provider credentialing application developed by a nonprofit alliance of health plans and trade associations for an online credentialing system offered to carriers and providers as the uniform credentialing form if (1) the provider credentialing application is available at no charge; and (2) use of the provider credentialing application is not conditioned on submitting the provider credentialing application to a carrier through the online credentialing system. The Commissioner has designated the provider credentialing application developed by the Council for Affordable Quality Healthcare (CAQH) as the uniform credentialing form. However, the CAQH provider credentialing application is not designated as the uniform credentialing form for dental provider panels.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 710 (Senator Klausmeier) - Finance.

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

**Fiscal Note History:** First Reader - February 22, 2011  
ncs/mwc Revised - House Third Reader - March 29, 2011

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