

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 1101
(Senator Eckardt)
Finance

Health Insurance - Provider Panels - Procedures and Credentialing Practices

This bill prohibits a carrier from imposing a limit on the number of providers at a health care facility that may be credentialed to participate on a provider panel. The bill also shortens the time frames within which a carrier must send specified notices to a provider seeking to participate on the carrier's provider panel. **The bill takes effect June 1, 2018.**

Fiscal Summary

State Effect: No likely effect in FY 2018. Minimal increase in special fund revenues for the Maryland Insurance Administration from the \$125 rate and form filing fee in FY 2019. Review of forms can likely be handled with existing resources. To the extent carriers are more frequently subject to existing penalties under the revised time frames, general fund revenues may increase beginning in FY 2019.

Local Effect: Local government finances and operations are not directly affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary/Current Law: A provider seeking to participate on a carrier's provider panel must submit an application to the carrier. Within 30 days after receipt of a completed application, a carrier must send the provider a written notice of the carrier's intent to continue to process the provider's application or the carrier's rejection of the provider for participation on the carrier's provider panel. A carrier that fails to provide this required notice is subject to suspension or revocation of a certificate of authority and/or a penalty

of at least \$100 and as much as \$125,000 per violation. Under the bill, this notice must be provided within *15 days* of receipt of a completed application.

If a carrier provides notice to the provider of its intent to continue to process the provider's application, the carrier must, within 120 days after the date the notice is provided, accept or reject the provider for participation and send written notice of the acceptance or rejection to the provider. A carrier that fails to send this notice is subject to suspension or revocation of a certificate of authority and/or a penalty of at least \$100 and as much as \$125,000 per violation as well as being issued a cease and desist order. Under the bill, written notice of the carrier's acceptance or rejection of the provider's application must be provided within *60 days* after the date the notice of intent to proceed is provided.

Small Business Effect: Small business health care providers may be approved for participation on a carrier's provider panel more quickly and because an unlimited number of providers at the same health care facility may participate on a carrier's provider panel.

Additional Information

Prior Introductions: None.

Cross File: HB 1310 (Delegate Ghrist, *et al.*) - Health and Government Operations.

Information Source(s): Department of Budget and Management; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - March 8, 2018
md/ljm

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