

HOUSE BILL 1108

J5, J1

3lr2418

By: **Delegate R. Lewis**

Introduced and read first time: February 10, 2023

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance Carriers and Managed Care Organizations – Participation on**
3 **Provider Panels**

4 FOR the purpose of altering the process by which carriers and managed care organizations
5 determine participation by providers on provider panels; requiring internal review
6 systems to include grievances involving the rejection of a provider’s application to
7 participate on a provider panel; and generally relating to participation on provider
8 panels.

9 BY repealing and reenacting, without amendments,
10 Article – Health – General
11 Section 15–102.3(a)
12 Annotated Code of Maryland
13 (2019 Replacement Volume and 2022 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article – Insurance
16 Section 15–112(a)(1), (5), (15), (16), and (17)
17 Annotated Code of Maryland
18 (2017 Replacement Volume and 2022 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Insurance
21 Section 15–112(g), (h), (i), (k), (l), and (r)
22 Annotated Code of Maryland
23 (2017 Replacement Volume and 2022 Supplement)

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

26 **Article – Health – General**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 15–102.3.

2 (a) The provisions of § 15–112(b)(1)(ii) and (2), (f) through (m), (r), (s), and (u)
3 through (w) of the Insurance Article (Provider panels) shall apply to managed care
4 organizations in the same manner they apply to carriers.

5 **Article – Insurance**

6 15–112.

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

8 (5) (i) “Carrier” means:

9 1. an insurer;

10 2. a nonprofit health service plan;

11 3. a health maintenance organization;

12 4. a dental plan organization; or

13 5. any other person that provides health benefit plans
14 subject to regulation by the State.

15 (ii) “Carrier” includes an entity that arranges a provider panel for a
16 carrier.

17 (15) “Participating provider” means a provider on a carrier’s provider panel.

18 (16) “Provider” means a health care practitioner or group of health care
19 practitioners licensed, certified, or otherwise authorized by law to provide health care
20 services.

21 (17) (i) “Provider panel” means the providers that contract either
22 directly or through a subcontracting entity with a carrier to provide health care services to
23 the carrier’s enrollees under the carrier’s health benefit plan.

24 (ii) “Provider panel” does not include an arrangement in which any
25 provider may participate solely by contracting with the carrier to provide health care
26 services at a discounted fee-for-service rate.

27 (g) (1) A provider that seeks to participate on a provider panel of a carrier shall
28 submit an application to the carrier.

1 (2) (i) Subject to subparagraph (ii) of this paragraph and paragraph (3)
2 of this subsection, the carrier, after reviewing the application, shall accept or reject the
3 provider for participation on the carrier's provider panel.

4 (ii) A carrier may not reject a provider who provides
5 community-based health services for a program accredited under COMAR 10.63.02 for
6 participation on the carrier's provider panel because the provider practices within the scope
7 of the provider's license and is:

8 1. a licensed graduate social worker or a licensed master
9 social worker, as those terms are defined in § 19-101 of the Health Occupations Article;

10 2. a licensed graduate alcohol and drug counselor, a licensed
11 graduate marriage and family therapist, a licensed graduate professional art therapist, or
12 a licensed graduate professional counselor, as those terms are defined in § 17-101 of the
13 Health Occupations Article; or

14 3. a registered psychology associate, as defined in § 18-101
15 of the Health Occupations Article.

16 (iii) If the carrier rejects the provider for participation on the carrier's
17 provider panel, the carrier shall send to the provider at the address listed in the application:

18 1. written notice of the rejection;

19 2. **A DETAILED EXPLANATION OF THE REASON FOR THE**
20 **REJECTION; AND**

21 3. **THE PROCESS FOR SUBMITTING A GRIEVANCE UNDER**
22 **THE INTERNAL REVIEW SYSTEM REQUIRED UNDER SUBSECTION (L) OF THIS**
23 **SECTION.**

24 (3) (i) Subject to paragraph (4) of this subsection, within 30 days after
25 the date a carrier receives a completed application, the carrier shall send to the provider at
26 the address listed in the application written notice of:

27 1. the carrier's intent to continue to process the provider's
28 application to obtain necessary credentialing information; or

29 2. the carrier's rejection of the provider for participation on
30 the carrier's provider panel, **INCLUDING:**

31 **A. A DETAILED EXPLANATION OF THE REASON FOR THE**
32 **REJECTION; AND**

1 **B. THE PROCESS FOR SUBMITTING A GRIEVANCE UNDER**
2 **THE INTERNAL REVIEW SYSTEM REQUIRED UNDER SUBSECTION (L) OF THIS**
3 **SECTION.**

4 (ii) The failure of a carrier to provide the notice required under
5 subparagraph (i) of this paragraph is a violation of this article and the carrier is subject to
6 the penalties provided by § 4-113(d) of this article.

7 (iii) Except as provided in subsection (v) of this section, if, under
8 subparagraph (i)1 of this paragraph, a carrier provides notice to the provider of its intent
9 to continue to process the provider's application to obtain necessary credentialing
10 information, the carrier, within 120 days after the date the notice is provided, shall:

11 1. accept or reject the provider for participation on the
12 carrier's provider panel; and

13 2. send written notice of the acceptance or rejection to the
14 provider at the address listed in the application, **INCLUDING:**

15 **A. A DETAILED EXPLANATION OF THE REASON FOR THE**
16 **REJECTION; AND**

17 **B. THE PROCESS FOR SUBMITTING A GRIEVANCE UNDER**
18 **THE INTERNAL REVIEW SYSTEM REQUIRED UNDER SUBSECTION (L) OF THIS**
19 **SECTION.**

20 (iv) The failure of a carrier to provide the notice required under
21 subparagraph (iii)2 of this paragraph is a violation of this article and the carrier is subject
22 to the provisions of and penalties provided by §§ 4-113 and 4-114 of this article.

23 (4) (i) 1. Except as provided in subsubparagraph 4 of this
24 subparagraph, a carrier that receives a complete application shall notify the provider that
25 the application is complete.

26 2. If a carrier does not accept applications through the online
27 credentialing system, notice shall be given to the provider at the address listed in the
28 application within 10 days after the date the application is received.

29 3. If a carrier accepts applications through the online
30 credentialing system, the notice from the online credentialing system to the provider that
31 the carrier has received the provider's application shall be considered notice that the
32 application is complete.

33 4. This subparagraph does not apply to a carrier that
34 arranges a dental provider panel until the Commissioner certifies that the online

1 credentialing system is capable of accepting the uniform credentialing form designated by
2 the Commissioner for dental provider panels.

3 (ii) 1. A carrier that receives an incomplete application shall
4 return the application to the provider at the address listed in the application within 10 days
5 after the date the application is received.

6 2. The carrier shall indicate to the provider what information
7 is needed to make the application complete.

8 3. The provider may return the completed application to the
9 carrier.

10 4. After the carrier receives the completed application, the
11 carrier is subject to the time periods established in paragraph (3) of this subsection.

12 (5) A carrier may charge a reasonable fee for an application submitted to
13 the carrier under this section.

14 (h) A carrier may not deny an application for participation or terminate
15 participation on its provider panel on the basis of:

16 (1) gender, race, age, religion, national origin, or a protected category
17 under the federal Americans with Disabilities Act;

18 (2) the type or number of appeals that the provider files under Subtitle 10B
19 of this title;

20 (3) the number of grievances or complaints that the provider files on behalf
21 of a patient under Subtitle 10A of this title; [or]

22 (4) the type or number of complaints or grievances that the provider files
23 or requests for review under the carrier's internal review system established under
24 subsection (l) of this section; **OR**

25 **(5) THE NUMBER OF CLAIMS REIMBURSED TO THE PROVIDER OR THE**
26 **AMOUNT OF REIMBURSEMENT ASSOCIATED WITH THE CLAIMS.**

27 (i) (1) A carrier may not deny an application for participation or terminate
28 participation on its provider panel solely on the basis of the license, certification, or other
29 authorization of the provider to provide health care services if the carrier provides health
30 care services within the provider's lawful scope of practice.

31 (2) **(I) THIS PARAGRAPH DOES NOT APPLY TO A CARRIER THAT IS**
32 **A GROUP MODEL HEALTH MAINTENANCE ORGANIZATION.**

1 **(II)** Notwithstanding paragraph (1) of this subsection, a carrier may
 2 **[reject] NOT DENY** an application for participation or terminate participation on its
 3 provider panel based on the participation on the provider panel of a sufficient number of
 4 similarly qualified providers **IF THE APPLICANT AGREES TO THE TERMS AND**
 5 **CONDITIONS FOR PARTICIPATION.**

6 **[(3)]** A violation of this subsection does not create a new cause of action.]

7 (k) **(1)** A carrier may not terminate participation on its provider panel or
 8 otherwise penalize a provider for:

9 **[(1)] (I)** advocating the interests of a patient through the carrier's
 10 internal review system established under subsection (l) of this section;

11 **[(2)] (II)** filing an appeal under Subtitle 10B of this title; **[or]**

12 **[(3)] (III)** filing a grievance or complaint on behalf of a patient under
 13 Subtitle 10A of this title; **OR**

14 **(IV) THE NUMBER OF CLAIMS REIMBURSED TO THE PROVIDER**
 15 **OR THE AMOUNT OF REIMBURSEMENT ASSOCIATED WITH THE CLAIMS.**

16 **(2) A CARRIER MAY NOT TERMINATE A PROVIDER'S PARTICIPATION**
 17 **ON ITS PROVIDER PANEL DURING THE TERM OF A CONTRACT UNLESS THERE IS A**
 18 **FINDING THAT THE PROVIDER:**

19 **(I) COMMITTED FRAUD;**

20 **(II) ABUSED A PATIENT;**

21 **(III) IS INCOMPETENT; OR**

22 **(IV) HAS LOST THE PROVIDER'S LICENSE, REGISTRATION, OR**
 23 **PERMIT.**

24 (l) Each carrier shall establish an internal review system to resolve grievances
 25 initiated by providers that participate on the carrier's provider panel, including grievances
 26 involving:

27 **(1)** the termination of a provider from participation on the carrier's
 28 provider panel; **OR**

29 **(2) THE REJECTION OF A PROVIDER'S APPLICATION TO PARTICIPATE**
 30 **ON THE CARRIER'S PROVIDER PANEL.**

1 (r) The Commissioner:

2 (1) shall adopt regulations that relate to the procedures that carriers must
3 use to:

4 (I) process applications for participation on a provider panel; AND

5 (II) CONDUCT THE INTERNAL REVIEW SYSTEM REQUIRED TO BE
6 ESTABLISHED UNDER SUBSECTION (L) OF THIS SECTION; and

7 (2) in consultation with the Secretary of Health, shall adopt strategies to
8 assist carriers in maximizing the opportunity for a broad range of minority providers to
9 participate in the delivery of health care services.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2023.