HB 1093

Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1093 (Delegate Cullison)
Health

Health Insurance - Provider Panels - Requirements

This bill alters the process though which health care providers apply to participate on a carrier's provider panel. The bill (1) repeals authorization for a carrier to charge an application fee; (2) alters requirements relating to updating information in a provider directory; (3) expands the types of providers a carrier is prohibited from limiting on a provider panel; and (4) alters requirements for a multi-carrier common online provider directory information system. The bill also establishes civil penalties for carriers that fail to provide specified notice. The Insurance Commissioner must collect and remit to providers specified civil penalties, adopt regulations related to the online credentialing system, and submit a specified annual report on the findings of a stakeholder workgroup.

Fiscal Summary

State Effect: Special fund expenditures for the Maryland Insurance Administration (MIA) increase by $608,000 in FY 2027 for personnel and one-time contractual services. Future years reflect annualization, elimination of one-time costs, and ongoing costs. As any civil penalties must be remitted to providers, special fund revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	$0	$0	$0	$0	$0
SF Expenditure	608,000	311,800	324,600	337,500	350,500
Net Effect	($608,000)	($311,800)	($324,600)	($337,500)	($350,500)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law:

Provider Panel Procedures

Notice After Receipt of Completed Application: Under 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.

The bill reduces the timeframe by which this notice must be sent from 30 days to 5 days and specifies that notice must be sent to the provider at the email address listed in the application or, if an email address is not listed, the mailing address listed. The bill further specifies that, in addition to existing penalties, a carrier that fails to provide this written notice is subject to a civil penalty of $500 per day for each day the notice was not sent. The penalty must be collected by the Insurance Commissioner and paid to the provider.

Notice of Acceptance or Rejection of Provider: Under current law, 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. 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.

The bill reduces the timeframe by which this notice must be sent from 120 days to 30 days and specifies that notice must be sent to the provider at the email address listed in the application or, if an email address is not listed, the mailing address listed.

Acceptance or Rejection of Certain Community-based Health Services Providers: Under current law, for certain providers of community-based health services for an accredited program, if a carrier provides notice of its intent to continue to process the provider's application to obtain necessary credentialing information, the carrier must, within 60 days after the date the carrier receives a completed application, send written notice of the acceptance or rejection to the provider.

The bill reduces the timeframe by which this notice must be sent from 60 days to 15 days and specifies that notice must be sent to the provider at the email address listed in the

application or, if an email address is not listed, the mailing address listed. In addition to existing penalties, a carrier that fails to provide this written notice is subject to a civil penalty of $500 per day for each day notice was not sent. The penalty must be collected by the Insurance Commissioner and paid to the provider.

Notice When Application Is Complete: Under current law, a carrier must notify the provider when an application is complete either through the online credentialing system or by mail within 10 days after a complete application is received. A carrier must return an incomplete application to the provider by mail within 10 days of receipt and notify the provider what information is needed to complete the application.

The bill specifies that a carrier must send written correspondence that the application is complete to the provider at the email address listed in the application or, if an email address is not listed, the mailing address listed.

Online Credentialing System

Under current law, "online credentialing system" means the system through which a provider may access an online provider credentialing application that the Insurance Commissioner has designated as the uniform credentialing form. A carrier may charge a reasonable fee for an application submitted to a carrier to serve on a provider panel.

The bill clarifies that "online credentialing system" means the system through which a provider may access *and submit* an online credentialing application and repeals the authority of a carrier to charge a fee.

Uniform Credentialing Form

The bill requires a carrier to (1) allow a provider to submit the uniform credentialing form using the online credentialing system; (2) establish a direct telephone number for inquiries on the form that is monitored by the carrier and is not the general customer service line; (3) establish a direct email address for inquiries on the form that is monitored by the carrier and is not the general customer service email address; and (4) respond to voice messages and emails within two business days after receipt.

The Commissioner must adopt regulations governing the use by a carrier of the online credentialing system to create and update the carrier's provider directory, including the required frequency of updates. A carrier must use the online credentialing system as the primary source of information to create and update the carrier's provider directory in accordance with the regulations.

Updating Information in Provider Directories

Under current law, a carrier must demonstrate the accuracy of the information in a provider directory on request of the Commissioner. Before imposing a penalty against a carrier for inaccurate network directory information, the Commissioner must consider certain factors.

The bill removes from this list of factors whether the carrier can demonstrate the efforts made, in writing, electronically, or by telephone, to obtain updated network directory information from a provider or other person and adds an additional factor of whether a carrier has implemented a process to inform providers that the online credentialing system is the primary source of information to create and update the carrier's provider directory.

The bill also repeals the requirement that a dental carrier update specified information within 15 working days after receipt of notification.

Limits on the Number of Carriers on a Provider Panel

Under current law, a carrier may not impose a limit on the number of behavioral health providers at a health care facility that may be credentialed to participate on a provider panel.

The bill expands the list of providers for whom a carrier may not impose a limit on the number that may be credentialed to participate on a provider panel to include (in addition to behavioral health providers) providers at a federally qualified health center, a local health department, or a school-based health center, or other essential community providers.

Multi-carrier Common Online Provider Directory

Under current law, the Commissioner may designate a multi-carrier common online provider directory information system developed by a nonprofit alliance of health plans and trade associations if the system is available to providers nationally, is available at no charge, and allows providers to attest online to the accuracy of their information and correct (and attest to the correction of) any inaccurate information. The nonprofit alliance must have a well-established mechanism for outreach to providers.

The bill specifies that the system must also allow providers to (1) update the provider's information every 120 days or at a frequency established by the Commissioner; (2) grant access to a designated person managing the credentialing process for the provider; and (3) access the system directly without the assistance of a third party. The nonprofit alliance must also (1) establish and maintain a stakeholder workgroup to identify and address operational issues to ensure efficiency of the online credentialing system consisting of specified representatives; (2) submit an annual report to the Commissioner on the findings

of the workgroup and improvements implemented because of the workgroup's findings; and (3) meet all other requirements established by the Commissioner.

By December 1, 2027, and annually thereafter, the Commissioner must report to the General Assembly on the findings of the workgroup, improvements implemented because of the workgroup's findings, any legislative recommendations, and any other relevant information.

State Expenditures: MIA advises that it can adopt regulations and submit the required annual report to the General Assembly using existing budgeted resources. However, development of a system to collect civil penalties and remit them to providers, as well as oversight of provider compliance require significant additional resources.

Thus, MIA special fund expenditures increase by $608,021 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. This estimate reflects the cost of hiring one market conduct examiner to monitor and collect civil penalties from carriers and remit them to providers and conduct market conduct inquiries as well as two insurance analysts to enforce the bill's network adequacy requirements and ensure that any credentialling system complies with regulations adopted by MIA. It includes salaries, fringe benefits, one-time start-up costs, ongoing operating expenses, and $375,000 in one-time-only contractual costs ($200,000 for information technology (IT) and data monitoring enhancements, $100,000 for IT consultation, and $75,000 for legal and actuarial consultants).

Positions	3.0
Salaries and Fringe Benefits	$205,599
One-time IT and Data Monitoring Enhancements	200,000
One-time Legal, Actuarial, and IT Consulting Costs	175,000
Operating Expenses	27,422
Total FY 2027 State Expenditures	**$608,021**

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses, and $40,000 in annual IT maintenance costs.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 808 (Senator King) - Finance.

Information Source(s): Maryland State Treasurer's Office; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2026
js/ljm

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