

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

AL REDMER, JR.
Commissioner



200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2408 Fax: 410-468-2020
Email: Michael.paddy@maryland.gov
www.insurance.maryland.gov

**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
SENATE FINANCE COMMITTEE**

JANUARY 15, 2020

**SENATE BILL 113 – HEALTH INSURANCE - PROVIDER PANELS - DEFINITIONS OF PROVIDER
AND HEALTH CARE SERVICES**

POSITION: SUPPORT

Thank you for the opportunity to provide written comments regarding Senate Bill 113. Senate Bill 113 adds a definition for “health care services” and redefines “provider” through cross references to another section of the Insurance Article. Currently, § 15-112 of the Insurance Article provides a statutory framework for credentialing providers with carriers. Providers are currently defined in §15-112 as health care practitioners or groups of health care practitioners licensed, certified, or otherwise authorized by law to provide health care services. Section 15-112, defines “health care facility”, but does not include them as providers and therefore does not hold carriers to the same level of accountability in the credentialing process that is established throughout §15-112 for practitioners.

The Maryland Insurance Administration (MIA) has received complaints from health care facilities and pharmacies that the credentialing process takes an extremely long time to complete and is overly burdensome due to the lack of an applicable statutory framework. The MIA has received complaints that pharmacies may be charged high fees to be credentialed. The MIA views this lack of statutory protections in credentialing for health care facilities and pharmacies as a barrier for them to join networks. Senate Bill 113 would redefine provider through a cross reference to the provider definition already established in §15-121(a)(6), which includes both health care facilities and pharmacies.

Additionally, the term “health care services” is used throughout § 15-112 but is not currently defined in §15-112. By defining health care services, this would remove any future ambiguity. Health care services is currently defined in §15-121(a)(5) as “a health or medical care procedure or service rendered by a provider that: (i) provides testing, diagnosis, or treatment of a human disease or dysfunction; or (ii) dispenses drugs, medical devices, medical appliances, or

medical good for the treatment of a human disease or dysfunction,” and that definition will simply be referenced in §15-112 through a cross reference.

The Maryland Insurance Administration supports Senate Bill 113 and urges the Committee to give Senate Bill 113 a favorable report.