

# SENATE BILL 710

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11r1816  
CF HB 444

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By: **Senator Klausmeier**

Introduced and read first time: February 4, 2011

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 24, 2011

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Insurance – Provider Panels – Notice of Receipt of Application**

3 FOR the purpose of requiring certain health insurance carriers that receive a complete  
4 application from a health care provider that seeks to participate on a provider  
5 panel of a carrier to notify the health care provider that the application is  
6 complete; requiring, under certain circumstances, notice to be given to a health  
7 care provider at a certain address and within a certain period of time; requiring,  
8 under certain circumstances, that the notice from a certain credentialing system  
9 be considered notice that an application is complete; providing that certain  
10 provisions of this Act do not apply to a certain carrier until the Maryland  
11 Insurance Commissioner makes a certain certification; defining a certain term;  
12 clarifying certain language; and generally relating to participation of health  
13 care providers on provider panels of health insurance carriers.

14 BY repealing and reenacting, without amendments,  
15 Article – Insurance  
16 Section ~~15–112(a)(1), (4), (9), and (10)~~ and (4)  
17 Annotated Code of Maryland  
18 (2006 Replacement Volume and 2010 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Insurance  
21 Section ~~15–112(d)~~ 15–112(a)(9) and (10) and (d)  
22 Annotated Code of Maryland  
23 (2006 Replacement Volume and 2010 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to  
 2 Article – Insurance  
 3 Section 15–112(a)(9)  
 4 Annotated Code of Maryland  
 5 (2006 Replacement Volume and 2010 Supplement)

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

8 **Article – Insurance**

9 15–112.

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

11 (4) (i) “Carrier” means:

- 12 1. an insurer;
- 13 2. a nonprofit health service plan;
- 14 3. a health maintenance organization;
- 15 4. a dental plan organization; or
- 16 5. any other person that provides health benefit plans  
 17 subject to regulation by the State.

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

20 **(9) “ONLINE CREDENTIALING SYSTEM” MEANS THE SYSTEM**  
 21 **THROUGH WHICH A PROVIDER MAY ACCESS AN ONLINE PROVIDER**  
 22 **CREDENTIALING APPLICATION THAT THE COMMISSIONER HAS DESIGNATED AS**  
 23 **THE UNIFORM CREDENTIALING FORM UNDER § 15–112.1(E) OF THIS SUBTITLE.**

24 ~~(9)~~ **(10)** “Provider” means a health care practitioner or group of  
 25 health care practitioners licensed, certified, or otherwise authorized by law to provide  
 26 health care services.

27 ~~(10)~~ **(11)** (i) “Provider panel” means the providers that contract  
 28 either directly or through a subcontracting entity with a carrier to provide health care  
 29 services to the carrier’s enrollees under the carrier’s health benefit plan.

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

4 (d) (1) A provider that seeks to participate on a provider panel of a carrier  
5 shall submit an application to the carrier.

6 (2) (i) Subject to paragraph (3) of this subsection, the carrier, after  
7 reviewing the application, shall accept or reject the provider for participation on the  
8 carrier’s provider panel.

9 (ii) If the carrier rejects the provider for participation on the  
10 carrier’s provider panel, the carrier shall send to the provider at the address listed in  
11 the application written notice of the rejection.

12 (3) (i) [Except as provided in] **SUBJECT TO** paragraph (4) of this  
13 subsection, within 30 days after the date a carrier receives a completed application,  
14 the carrier shall send to the provider at the address listed in the application written  
15 notice of:

16 1. the carrier’s intent to continue to process the  
17 provider’s application to obtain necessary credentialing information; or

18 2. the carrier’s rejection of the provider for participation  
19 on the carrier’s provider panel.

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

23 (iii) Except as provided in subsection (o) of this section, if, under  
24 subparagraph (i)1 of this paragraph, a carrier provides notice to the provider of its  
25 intent to continue to process the provider’s application to obtain necessary  
26 credentialing information, the carrier, within 120 days after the date the notice is  
27 provided, shall:

28 1. accept or reject the provider for participation on the  
29 carrier’s provider panel; and

30 2. send written notice of the acceptance or rejection to  
31 the provider at the address listed in the application.

32 (iv) The failure of a carrier to provide the notice required under  
33 subparagraph (iii)2 of this paragraph is a violation of this article and the carrier is  
34 subject to the provisions of and penalties provided by §§ 4–113 and 4–114 of this  
35 article.

1                   (4) (I) 1. ~~A~~ EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 4  
2 OF THIS SUBPARAGRAPH, A CARRIER THAT RECEIVES A COMPLETE  
3 APPLICATION SHALL NOTIFY THE PROVIDER THAT THE APPLICATION IS  
4 COMPLETE.

5                                 2. ~~NOTICE~~ IF A CARRIER DOES NOT ACCEPT  
6 APPLICATIONS THROUGH THE ONLINE CREDENTIALING SYSTEM, NOTICE SHALL  
7 BE GIVEN TO THE PROVIDER AT THE ADDRESS LISTED IN THE APPLICATION  
8 WITHIN 10 DAYS AFTER THE DATE THE APPLICATION IS RECEIVED.

9   3. IF A CARRIER ACCEPTS APPLICATIONS THROUGH  
10 THE ONLINE CREDENTIALING SYSTEM, THE NOTICE FROM THE ONLINE  
11 CREDENTIALING SYSTEM TO THE PROVIDER THAT THE CARRIER HAS RECEIVED  
12 THE PROVIDER'S APPLICATION SHALL BE CONSIDERED NOTICE THAT THE  
13 APPLICATION IS COMPLETE.

14   4. THIS SUBPARAGRAPH DOES NOT APPLY TO A  
15 CARRIER THAT ARRANGES A DENTAL PROVIDER PANEL UNTIL THE  
16 COMMISSIONER CERTIFIES THAT THE ONLINE CREDENTIALING SYSTEM IS  
17 CAPABLE OF ACCEPTING THE UNIFORM CREDENTIALING FORM DESIGNATED BY  
18 THE COMMISSIONER FOR DENTAL PROVIDER PANELS.

19   [(i)] (II) 1. A carrier that receives an incomplete  
20 application shall return the application to the provider at the address listed in the  
21 application within 10 days after the date the application is received.

22   [(ii)] 2. The carrier shall indicate to the provider what  
23 information is needed to make the application complete.

24   [(iii)] 3. The provider may return the completed application to  
25 the carrier.

26   [(iv)] 4. After the carrier receives the completed application,  
27 the carrier is subject to the time periods established in paragraph (3) of this  
28 subsection.

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

31                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 2011.