

# SENATE BILL 712

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11r2698  
CF 11r2045

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By: **Senator Klausmeier**

Introduced and read first time: February 4, 2011

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Carrier Provider Panels – Medical Laboratories**

3 FOR the purpose of prohibiting certain health insurance carriers from rejecting an  
4 application of a medical laboratory for participation on a carrier’s provider panel  
5 or terminating participation by a medical laboratory on a carrier’s provider  
6 panel under a certain provision of law if the medical laboratory accepts certain  
7 terms and conditions established by the carrier; defining a certain term; and  
8 generally relating to health insurance carrier provider panels.

9 BY repealing and reenacting, without amendments,  
10 Article – Insurance  
11 Section 15–112(a)(1), (4), (9), and (10)  
12 Annotated Code of Maryland  
13 (2006 Replacement Volume and 2010 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Insurance  
16 Section 15–112(f)  
17 Annotated Code of Maryland  
18 (2006 Replacement Volume and 2010 Supplement)

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

21 **Article – Insurance**

22 15–112.

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

24 (4) (i) “Carrier” means:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

7 (ii) "Carrier" includes an entity that arranges a provider panel  
8 for a carrier.

9 (9) "Provider" means a health care practitioner or group of health care  
10 practitioners licensed, certified, or otherwise authorized by law to provide health care  
11 services.

12 (10) (i) "Provider panel" means the providers that contract either  
13 directly or through a subcontracting entity with a carrier to provide health care  
14 services to the carrier's enrollees under the carrier's health benefit plan.

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

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

22 (2) (I) Notwithstanding paragraph (1) of this subsection, **AND**  
23 **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH**, a carrier may  
24 reject an application for participation or terminate participation on its provider panel  
25 based on the participation on the provider panel of a sufficient number of similarly  
26 qualified providers.

27 (II) 1. IN THIS SUBPARAGRAPH, "MEDICAL  
28 LABORATORY" MEANS A LABORATORY LICENSED UNDER TITLE 17, SUBTITLE 2  
29 OF THE HEALTH – GENERAL ARTICLE.

30 2. A CARRIER MAY NOT REJECT AN APPLICATION OF  
31 A MEDICAL LABORATORY FOR PARTICIPATION ON THE CARRIER'S PROVIDER  
32 PANEL OR TERMINATE PARTICIPATION BY A MEDICAL LABORATORY ON THE  
33 CARRIER'S PROVIDER PANEL UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH  
34 IF THE MEDICAL LABORATORY ACCEPTS THE TERMS AND CONDITIONS

1 ESTABLISHED BY THE CARRIER FOR PARTICIPATION BY MEDICAL  
2 LABORATORIES ON ITS PROVIDER PANEL.

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

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