

BULLETIN

TO: Health Maintenance Organizations

RE: Rescission of MIA position as stated in Wickenden Letter
Methodology for payment of usual, customary, and reasonable rates to noncontracting providers

DATE: February 23, 2000

BULLETIN NO: Life and Health 00-4

Section 19-710.1 of the Health-General Article, enacted in 1991, requires a health maintenance organization to pay hospitals at the rate approved by the Health Service Cost Review Commission and any other health care provider who is not under written contract at the usual, customary, and reasonable rate. The law further requires disclosure of the methodology used to determine the amount of payment at the usual, customary, and reasonable rate *to the health care provider on request of the health care provider*.

Chapter 121 of the Acts of the General Assembly of 1991, which codified §19-710.1, did not authorize the Commissioner to approve a usual, customary, and reasonable rate prior to its use, or require any methodology to be filed with the Insurance Administration.

Therefore, the Maryland Insurance Administration rescinds its letter of August 20, 1991, signed by former Associate Commissioner Philip L. Wickenden, which requires each health maintenance organization to file its methodology for determination of UCR, and prohibits use of any methodology prior to approval.

Donna B. Imhoff
Associate Commissioner