

# SENATE BILL 54

C3

8lr0023

(PRE-FILED)

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By: **Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)**

Requested: September 19, 2017

Introduced and read first time: January 10, 2018

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Accountable Care Organizations – Technical Correction**

3 FOR the purpose of correcting an incorrect cross-reference for purposes of certain  
4 provisions of law relating to accountable care organizations and incentive-based  
5 compensation; and generally relating to accountable care organizations.

6 BY repealing and reenacting, with amendments,

7 Article – Insurance

8 Section 15–113(c)

9 Annotated Code of Maryland

10 (2017 Replacement Volume)

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

13 **Article – Insurance**

14 15–113.

15 (c) (1) In this subsection, “set of health care practitioners” means:

16 (i) a group practice;

17 (ii) a clinically integrated organization established in accordance  
18 with Subtitle 19 of this title; or

19 (iii) an accountable care organization established in accordance with  
20 [42 U.S.C. § 1899] **42 U.S.C. § 1395JJJ** and any applicable federal regulations.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2) This section does not prohibit a carrier from providing bonuses or other  
2 incentive-based compensation to a health care practitioner or a set of health care  
3 practitioners if the bonus or other incentive-based compensation:

4           (i) does not create a disincentive to the provision of medically  
5 appropriate or medically necessary health care services; and

6           (ii) if the carrier is a health maintenance organization, complies with  
7 the provisions of § 19-705.1 of the Health – General Article.

8           (3) A bonus or other incentive-based compensation under this subsection:

9           (i) if applicable, shall promote the provision of preventive health  
10 care services; or

11           (ii) may reward a health care practitioner or a set of health care  
12 practitioners, based on satisfaction of performance measures, if the following is agreed on  
13 in writing by the carrier and the health care practitioner or set of health care practitioners:

14                   1. the performance measures;

15                   2. the method for calculating whether the performance  
16 measures have been satisfied; and

17                   3. the method by which the health care practitioner or set of  
18 health care practitioners may request reconsideration of the calculations by the carrier.

19           (4) Acceptance of a bonus or other incentive-based compensation under  
20 this subsection shall be voluntary.

21           (5) A carrier may not require a health care practitioner or a set of health  
22 care practitioners to participate in the carrier's bonus or incentive-based compensation  
23 program as a condition of participation in the carrier's provider network.

24           (6) A health care practitioner, a set of health care practitioners, a health  
25 care practitioner's designee, or a designee of a set of health care practitioners may file a  
26 complaint with the Administration regarding a violation of this subsection.

27           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 2018.