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INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
126TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 540, L.D. 1466, Bill, “An Act To Amend the Law Governing Provider Contracts with Insurance Companies”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 24-A MRSA §4303, sub-§18 is enacted to read:

18. Provider contract requirements. A carrier offering a health plan must meet the requirements of this subsection with respect to a contract offered by the carrier to a provider, including a contract offered through a preferred provider arrangement, as defined in section 2671, subsection 7. This subsection does not apply to dental or vision plans.

A. If the contract for a preferred provider arrangement includes a reference to policies or procedures to which a contracting provider would be bound, all such policies and procedures must be provided to the provider for review in an easily accessible manner upon the provider's request at the time the contract is offered.

B. Upon the provider's request at the time a contract for a preferred provider arrangement is offered, the following must be provided to a provider for review:

(1) The fee schedule or, if there is not a fee schedule for one or more of the services covered under the contract, the terms under which payment is determined. A carrier may require a provider to execute a nondisclosure agreement covering the information provided under this subparagraph; and

(2) The identity of all carriers for which the provider is agreeing to provide services to health plan enrollees.

C. As a condition of participation in one of the carrier's preferred provider arrangements, a contract offered by a carrier may not require a provider to participate in any other carrier's network subsequently offered by the carrier or by a carrier's preferred provider arrangement.

COMMITTEE AMENDMENT

1 D. Without the provider's prior written consent, a provider's contractual participation
2 in a carrier's preferred provider arrangement may not:

3 (1) Subject the provider to health plan payor requirements or fee schedules that
4 materially differ from the terms of the provider's contract with the carrier, unless
5 those materially different terms are set out in writing in a separate section of the
6 contract, such as an exhibit or amendment; or

7 (2) Permit the terms of the provider's existing preferred provider arrangement
8 contract to be superseded by a carrier's subsequent contract with a health plan
9 payor.

10 E. A preferred provider arrangement contract may not require a provider providing a
11 service to an enrollee under a health plan included in the provider's contract to obtain
12 preauthorization if the enrollee's health plan does not require prior authorization as a
13 condition of coverage.

14 F. Explanation of remittance advices or comparable documents, whether in paper or
15 electronic form, that accompany and identify payment of a provider's claims under a
16 carrier's contract, including contracts offered through a preferred provider
17 arrangement, must identify the administrator and payor of the provider's claims and
18 include contact information.

19 The requirements of this subsection do not apply to a carrier offering a health plan with
20 respect to preferred provider arrangement contracts with a hospital or pharmacy.'

21 SUMMARY

22 This amendment replaces the bill. The amendment places certain requirements on
23 contracts for preferred provider arrangements, which are contracts between a health
24 insurance carrier and a health care provider in which the provider agrees to provide
25 services to a health plan enrollee whose plan benefits include incentives for the enrollee
26 to use the services of that provider. The amendment imposes requirements and
27 restrictions on these contracts, including:

28 1. Requiring a carrier who offers the contract to a health care provider to include in
29 the contract a fee schedule and to provide any policies or procedures referred to in the
30 contract to the provider, upon request by the provider;

31 2. Requiring the approval of a provider, in writing, of an amendment to the contract
32 that materially differs from the terms of the provider's contract and of any provision that
33 would permit the provider's existing contract to be superseded by a carrier's subsequent
34 contract with a health plan payor;

35 3. Prohibiting a carrier from requiring a provider, as a condition of participation in
36 one of the carrier's preferred provider arrangements, to participate in any other carrier's
37 network subsequently offered by the carrier or by a carrier's preferred provider
38 arrangement;

39 4. Prohibiting a carrier from subjecting providers under health plans included in the
40 contract to preauthorization requirements if the enrollee's health plan does not require
41 prior authorization as a condition of coverage; and

1 5. Requiring remittance advices that identify payment of a provider's claims under a
2 carrier's contract to identify the administrator and payor of the provider's claims and
3 include contact information.

4 The amendment provides that the requirements do not apply to dental or vision plans
5 or to a carrier offering a health plan with respect to preferred provider arrangement
6 contracts with a hospital or pharmacy.