

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 426

H.P. 336

House of Representatives, February 1, 2001

An Act Concerning Managed Care Provider Agreements.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative O'NEIL of Saco.

Be it enacted by the People of the State of Maine as follows:

2 **Sec. 1. 24-A MRSA §4204, sub-§6, ¶C** is enacted to read:

4 C. This subsection does not prohibit a participating
6 provider from seeking reimbursement from either the health
8 maintenance organization or the subscriber or enrollee for
10 medical services rendered in good faith when the health
12 maintenance organization has denied coverage because the
14 subscriber or enrollee has failed to abide by a term of the
16 enrollment agreement between the subscriber or enrollee and
18 the health maintenance organization.

20 **Sec. 2. 24-A MRSA §4306-A** is enacted to read:

22 **§4306-A. Participating provider agreements**

24 **1. So-called "most favored nation" provisions.** The use or
26 enforcement by a carrier in any participating provider agreement
28 of a provision requiring that a participating provider give a
30 carrier the benefit of any lower fee schedules or charges for
32 services that the participating provider may subsequently agree
34 to with other persons or entities constitutes an unfair insurance
36 practice pursuant to chapter 23.

38 **2. So-called "all products" provisions.** If an agreement
40 between a participating provider and a carrier or other entity
42 that provides hospital, physician or other health care services
44 to a carrier includes provisions that require a provider, as a
46 condition of participating in one of the carrier's or other
48 entity's panels, to participate in any other provider panel owned
 or operated by that carrier or other entity, the participating
 provider agreement must contain a provision permitting the
 participating provider to refuse participation in one or more
 other such provider panels at the time the agreement is executed
 without affecting the participating provider's status as a member
 of or for eligibility in other existing or new provider panels.

42 **SUMMARY**

44 The bill clarifies that "hold harmless" provisions of
46 managed care provider agreements and the "hold harmless" clause
48 in the Maine Insurance Code do not prohibit participating
 providers from seeking reimbursement from either the health plan
 or the enrollee when the enrollee has not adhered to the terms of
 the health plan. This bill makes the use or enforcement of "most
 favored nation" provisions in managed care provider agreements an
 unfair insurance practice. It allows participating providers to

2 opt out of so-called "all products" clauses in participating
 provider agreements.