# MAINE STATE LEGISLATURE

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### **LAWS**

### **OF THE**

## STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND SEVENTEENTH LEGISLATURE

SECOND SPECIAL SESSION September 5, 1996 to September 7, 1996

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

FIRST REGULAR SESSION December 4, 1996 to March 27, 1997 FIRST SPECIAL SESSION March 27, 1997 to June 20, 1997

THE GENERAL EFFECTIVE DATE FOR FIRST REGULAR SESSION NON-EMERGENCY LAWS IS JUNE 26, 1997

> FIRST SPECIAL SESSION NON-EMERGENCY LAWS IS SEPTEMBER 19, 1997

PUBLISHED BY THE REVISOR OF STATUTES IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED, TITLE 3, SECTION 163-A, SUBSECTION 4.

> J.S. McCarthy Company Augusta, Maine 1997

occurs and an investigation determines the vehicle was stolen, the registered owner may not be charged under this subsection.

See title page for effective date.

#### **CHAPTER 163**

H.P. 401 - L.D. 546

### An Act to Ensure Responsible Coordination of Medical Care under Managed Care

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

- Sec. 1. 24-A MRSA §4303, sub-§2, ¶¶A and B, as enacted by PL 1995, c. 673, Pt. C, §1 and affected by §2, are amended to read:
  - A. The granting of credentials must be based on objective standards that are available to providers upon application for credentialling. A carrier shall consult with appropriately qualified health care professionals in developing its credentialling standards.
  - B. All <u>credentialling</u> decisions <u>regarding the</u>, <u>including those</u> granting <u>of</u>, <u>denying or withdrawing</u> credentials, <u>including a decision to deselect a provider</u>, must be in writing. The provider must be provided with all reasons for the denial of an application, <u>nonrenewal of a contract or termination of a contract for credentialling or the withdrawal of credentials. A withdrawal of credentials must be treated as a provider termination and is subject to the requirements of subsection 3-A.</u>
- Sec. 2. 24-A MRSA §4303, sub-§3-A is enacted to read:
- 3-A. Termination of participating providers. A carrier offering a managed care plan may not terminate or nonrenew a contract with a participating provider unless the carrier provides the provider with a written explanation prior to the termination or nonrenewal of the reasons for the proposed contract termination or nonrenewal and provides an opportunity for a review or hearing in accordance with this subsection. The existence of a termination without cause provision in a carrier's contract with a provider does not supersede the requirements of this subsection. This subsection does not apply to termination cases involving imminent harm to patient care, a final determination of fraud by a governmental agency, a final disciplinary action by a state licensing board or other governmental agency that impairs the ability of a provider to practice. A review or hearing of proposed

contract termination must meet the following requirements.

- A. The notice of the proposed contract termination or nonrenewal provided by the carrier to the participating provider must include:
  - (1) The reason or reasons for the proposed action in sufficient detail to permit the provider to respond;
  - (2) Reference to the evidence or documentation underlying the carrier's decision to pursue the proposed action. A carrier shall permit a provider to review this evidence and documentation upon request;
  - (3) Notice that the provider has the right to request a review or hearing before a panel appointed by the carrier;
  - (4) A time limit of not less than 30 days from the date the provider receives the notice within which a provider may request a review or hearing; and
  - (5) A time limit for a hearing date that must be not less than 30 days after the date of receipt of a request for a hearing.

Termination or nonrenewal may not be effective earlier than 60 days from the receipt of the notice of termination or nonrenewal.

- B. A hearing panel must be composed of at least 3 persons appointed by the carrier and one person on the hearing panel must be a clinical peer in the same discipline and the same or similar specialty of the provider under review. A hearing panel may be composed of more than 3 persons if the number of clinical peers on the hearing panel constitutes 1/3 or more of the total membership of the panel.
- C. A hearing panel shall render a written decision on the proposed action in a timely manner. This decision must be either the reinstatement of the provider by the carrier, the provisional reinstatement of the provider subject to conditions established by the carrier or the termination or nonrenewal of the provider.
- D. A decision by a hearing panel to terminate or nonrenew a contract with a provider may not become effective less than 60 days after the receipt by the provider of the hearing panel's decision or until the termination date in the provider's contract, whichever is earlier.

See title page for effective date.