



The Maryland State Medical Society

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TO: The Honorable Peter A. Hammen, Chairman  
Members, House Health & Government Operations Committee  
The Honorable Shawn Tarrant

FROM: Joseph A. Schwartz, III  
Pamela Metz Kasemeyer  
J. Steven Wise

DATE: February 28, 2008

RE: **SUPPORT** – House Bill 815 – *Health Insurance – Reimbursement of Health Care Practitioners – Information Provided by Carriers*

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The Maryland State Medical Society (MedChi) which represents over 7,200 Maryland physicians and their patients supports House Bill 815.

House Bill 815 expands upon an existing provision of law that was originally enacted in 1999. The 1999 legislation provided a way for health care providers to obtain information on the fees that are paid by carriers for services commonly delivered by a given provider. The current law allows providers to request up to the 20 most common codes billed by that provider's specialty. This information is provided using "CPT Codes," which is the common terminology used both to identify medical procedures and to bill for them. This information has to be provided by the carrier on three occasions: 1) at the time of contract execution, 2) 30 days prior to a change, and 3) upon request of the practitioner.

House Bill 815 does two things that build upon the existing law: First, it expands the number of codes that a provider can request from 20 to 50. This change reflects the fact that 20 codes do not cover the multitude of codes that most health care providers bill for in the normal course of events. The ability to obtain these codes is important for contracting providers because it allows them to determine their pay in relation to other providers in the same specialty. For non-contracting providers, who are paid under statute at a rate not less than 125% of the amount paid to a similarly licensed provider in the same area, this is the sole means of determining if they have been properly reimbursed after providing services to a patient covered by a carrier that the provider is not affiliated with. Emergency room physicians are a good example of this.

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Second, the bill provides that a provider can obtain the pharmaceutical formulary of the carrier on the same three occasions already set forth in the law—at contract execution, 30 days prior to a change, and upon request. Current pharmaceutical formulary information is important for providers to have, so that they can prescribe drugs in a cost effective manner.

MedChi would respectfully request a favorable report on House Bill 815.

**For more information call:**

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