

(I) [a] A health insurer[,], OR nonprofit health service plan[, or health maintenance organization] that holds a certificate of authority [to offer] AND PROVIDES health insurance policies or contracts in the State in accordance with Article 48A of the Code or the Health – General Article;

(II) A HEALTH MAINTENANCE ORGANIZATION THAT IS LICENSED TO OPERATE IN THE STATE.

(4) “Unbundling” means the use of two or more [C.P.T.] codes BY A HEALTH CARE PROVIDER to describe a surgery or service provided to a patient when a single, more comprehensive [C.P.T. Code] CODE exists that accurately describes the entire surgery or service. [“Unbundling” includes the practice of claiming reimbursement for a medical visit in conjunction with surgery when the claimed medical visit is on the same date as the surgery.]

(b) (1) On or before January 1, 1995, the Commission shall develop and implement a payment system for all health care practitioners in the State.

(2) The payment system established under this section shall include a methodology for a uniform system of health care practitioner reimbursement.

(3) Under the payment system, reimbursement for each health care practitioner shall be derived by multiplying the following numeric factors:

(i) A numeric factor representing the resources of the health care practitioner necessary to provide health care services;

(ii) A numeric factor representing the relative value of a health care service, as classified by [C.P.T. Code] A CODE, compared to that of other health care services; and

(iii) A numeric factor representing a conversion modifier used to adjust reimbursement.

(4) To prevent overpayment of claims for surgery or services, in developing the payment system under this section, the Commission, TO THE EXTENT PRACTICABLE, shall establish standards to ~~minimize~~ PROHIBIT the unbundling of [C.P.T.] codes and the use of reimbursement maximization programs, commonly known as “upcoding”.

(5) In developing the payment system under this [section] SECTION, the Commission shall consider the underlying methodology used in the resource based relative value scale established under 42 U.S.C. § 1395W-4.

(6) THE COMMISSION AND THE LICENSING BOARDS SHALL DEVELOP, BY REGULATION, APPROPRIATE SANCTIONS, INCLUDING, WHERE APPROPRIATE, NOTIFICATION TO THE INSURANCE FRAUD UNIT OF THE STATE, FOR HEALTH CARE PRACTITIONERS WHO VIOLATE THE STANDARDS ESTABLISHED BY THE COMMISSION TO PROHIBIT UNBUNDLING AND UPCODING.

(c) (1) In establishing a payment system under this section, the Commission shall take into consideration the factors listed in this subsection.