

Approved May 22, 1997.

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**CHAPTER 712**

**(House Bill 1057)**

AN ACT concerning

**Health Maintenance Organizations – Negotiated Alternative Rates – Coinsurance Payments**

FOR the purpose of providing that, if a health maintenance organization negotiates and enters into a contract with certain health care providers to provide health care services to its insureds at alternative rates of payment and coinsurance payments are to be based on a percentage of the fee for health care services rendered by a provider, the health maintenance organization shall calculate the amount of the coinsurance payment to be paid by the insured from the negotiated alternative rate; prohibiting health maintenance organizations from charging or collecting from an insured a coinsurance payment amount that is greater than the coinsurance payment amount calculated from the negotiated alternative rate; and generally relating to requiring health maintenance organizations to calculate coinsurance payment amounts from negotiated alternative rates under certain circumstances.

BY adding to

Article – Health – General  
Section 19-706(n)  
Annotated Code of Maryland  
(1996 Replacement Volume and 1996 Supplement)

BY repealing and reenacting, without amendments,

Article – Insurance  
Section 15-118  
Annotated Code of Maryland  
(1995 Volume and 1996 Supplement)  
(As enacted by Chapter \_\_ (H.B. 11) of the Acts of the General Assembly of 1997)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Health – General**

19-706.

(N) THE PROVISIONS OF § 15-118 OF THE INSURANCE ARTICLE SHALL APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.