

# MedChi

The Maryland State Medical Society

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TO: The Honorable Peter A. Hammen, Chairman  
Members, House Health & Government Operations Committee  
The Honorable Nicholas R. Kipke

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

DATE: March 11, 2010

RE: **OPPOSE** – House Bill 1075 – *Health Insurance – Payments for Services of Nonparticipating Health Care Providers*

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The Maryland State Medical Society (MedChi), which represents over 7,300 Maryland physicians and their patients, opposes House Bill 1075.

House Bill 1075 appears to be a good faith attempt to assist “non par” doctors who are not paid for their services when an insurance company sends a check for already medical services to their member and the check never makes its way to the doctor’s office. Indeed, the actions of CareFirst have made this a particularly troublesome problem for Maryland doctors. The amount of time, money and energy which is spent by doctor’s offices in collecting for delivered health care services is extraordinary and only exacerbated by insurance companies, such as CareFirst, which do not recognize a valid assignment of benefits from the patient apparently, as a strategy to force doctors into the CareFirst networks. Indeed, it is fair to say that the Assignment of Benefits problem is a creation of CareFirst as most other carriers recognize Assignment of Benefits or adequately compensate the non-network doctor directly.

House Bill 1075 would, MedChi believes, compound an already difficult problem. It provides that the check should be issued to both the insured and the doctor. However, there is no mechanism to guarantee that the insured will endorse the check and bring it to the doctor’s office. Moreover, those carriers who now pay “non par” doctors directly would have to now issue the check in both names and there is no mechanism to guarantee that the member would come into to a physician’s office to provide the necessary endorsement. If House Bill 1075 is passed, one irony would be that CareFirst would likely make more money due to the “float” of uncashed checks.

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MedChi appreciates the good faith effort behind House Bill 1075 but respectfully requests an unfavorable report.

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