

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL NO. 337
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “requiring” in line 3 down through “Act;” in line 27 and substitute “establishing a certificate to authorize certain persons to operate as a community health network; requiring the Secretary of Health and Mental Hygiene and the State Insurance Commissioner to issue the certificate to qualified persons; providing requirements for obtaining a certificate to be a community health network; requiring a community health network to submit certain plans to the Secretary; requiring the Secretary and the Insurance Commissioner to adopt a certain plan for working together and with the Health Resources Planning Commission, the Health Services Cost Review Commission, and the Health Care Access and Cost Commission; requiring a community health network to be managed under the direction of a board of directors; establishing certain requirements for membership of the board and service on the board;”.

On page 2, strike in their entirety lines 1 through 26, inclusive, and substitute:

“BY renumbering

Article - Health - General

Section 19-701(d), (e), (f), (g), (h), and (i), respectively
to be Section 19-701(e), (f), (g), (h), (i), and (j), respectively

Annotated Code of Maryland

(1996 Replacement Volume and 1996 Supplement)

BY adding to

Article - Health - General

Section 19-701(d), 19-701.1, and 19-701.2

Annotated Code of Maryland

(1996 Replacement Volume and 1996 Supplement)”.

(Over)

On page 2, in line 38, after "MARYLAND," insert "That Section(s) 19-701(d), (e), (f), (g), (h), and (i), respectively, of Article - Health - General of the Annotated Code of Maryland be renumbered to be Section(s) 19-701(e), (f), (g), (h), (i), and (j), respectively.

SECTION 2. AND BE IT FURTHER ENACTED,".

AMENDMENT NO. 2

On pages 3 through 29, strike the lines beginning with line 1 on page 3 through line 27 on page 29 and substitute:

"Article - Health - General

19-701.

(D) "COMMUNITY HEALTH NETWORK" MEANS A PERSON THAT IS:

(1) A HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A CERTIFICATE OF AUTHORITY UNDER THIS SUBTITLE; AND

(2) ISSUED A CERTIFICATE TO OPERATE AS A COMMUNITY HEALTH NETWORK BY THE SECRETARY IN ACCORDANCE WITH § 19-701.1 OF THIS SUBTITLE.

19-701.1.

(A) THE SECRETARY AND COMMISSIONER SHALL ISSUE A CERTIFICATE THAT AUTHORIZES A PERSON TO OPERATE AS A COMMUNITY HEALTH NETWORK IF THE PERSON MEETS THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION.

(B) A COMMUNITY HEALTH NETWORK SHALL:

(1) BE A NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE;

(2) BE FORMED UNDER THE LAWS OF THE STATE;

(3) BE GOVERNED BY A BOARD OF DIRECTORS IN ACCORDANCE WITH § 19-701.2 OF THIS SUBTITLE;

(4) PROVIDE A SUBSTANTIAL PORTION OF HEALTH CARE SERVICES DIRECTLY THROUGH HEALTH CARE PROVIDERS OR GROUPS OF HEALTH CARE PROVIDERS IN THE COMMUNITY SERVED BY THE COMMUNITY HEALTH NETWORK;

(5) SUBMIT TO THE SECRETARY A WRITTEN QUALITY IMPROVEMENT PLAN THAT:

(I) IDENTIFIES THE PRIORITIES THAT RELATE TO THE HEALTH STATUS PROBLEMS AND NEEDS OF ENROLLEES, AND INCLUDES A DESCRIPTION OF HOW THE COMMUNITY HEALTH NETWORK WILL PROVIDE FOR THE PRIORITIES;

(II) ESTABLISHES PROCEDURES FOR WORKING WITH OTHER EXISTING HEALTH BENEFIT PLANS, LOCAL HEALTH DEPARTMENTS, AND HEALTH CARE PROVIDERS THAT HAVE HISTORICALLY PROVIDED HEALTH CARE SERVICES WITHIN THE COMMUNITY TO DEVELOP AND IMPLEMENT A PROCESS FOR IMPROVING THE HEALTH STATUS OF THE COMMUNITY; AND

(III) DESCRIBES HOW INFORMATION FROM ANY ANNUAL REPORTS, CONSUMER COMPLAINTS, AND ANY OTHER SOURCE WILL BE USED TO IMPROVE THE QUALITY OF HEALTH CARE SERVICES PROVIDED BY THE COMMUNITY HEALTH NETWORK;

(6) DEVELOP AND SUBMIT TO THE SECRETARY A PLAN OF ACTION THAT:

(I) BASED ON INFORMATION DERIVED THROUGH COOPERATIVE EFFORTS WITH LOCAL HEALTH DEPARTMENTS AND OTHER APPROPRIATE

(Over)

COMMUNITY ORGANIZATIONS, IDENTIFIES SPECIFIC HEALTH PROBLEMS IN THE COMMUNITY;

(II) IS RESPONSIVE TO AT LEAST ONE OF THE HEALTH PROBLEMS IDENTIFIED;

(III) STATES MEASURABLE OBJECTIVES TO BE ACHIEVED WITHIN A SPECIFIED PERIOD OF TIME AND IDENTIFIES RESOURCES THAT WILL BE USED TO ACHIEVE THE OBJECTIVES; AND

(IV) ESTABLISHES A PROCESS FOR MEASURING THE RESULTS OF THE PLAN AND EVALUATING THOSE RESULTS TO DETERMINE FUTURE GOALS AND OBJECTIVES; AND

(7) SUBMIT ANNUALLY TO THE SECRETARY A REPORT THAT STATES SPECIFIC OUTCOME MEASUREMENTS THAT MARK PROGRESS IN ADDRESSING:

(I) HEALTH CARE PROBLEMS IN THE SERVICE AREA AND THE STATE; AND

(II) HEALTH PRIORITIES IDENTIFIED IN THE PLAN OF ACTION.

(C) (1) THE SECRETARY AND THE COMMISSIONER SHALL ADOPT JOINT INTERNAL PROCEDURES TO ASSIST THEM IN WORKING TOGETHER AND WITH THE HEALTH RESOURCES PLANNING COMMISSION, THE HEALTH SERVICES COST REVIEW COMMISSION, AND THE HEALTH CARE ACCESS AND COST COMMISSION TO CARRY OUT THEIR RESPONSIBILITIES UNDER THIS SUBTITLE.

(2) THE JOINT INTERNAL PROCEDURES SHALL:

(I) ESTABLISH A MEANS BY WHICH THE DEPARTMENT AND THE COMMISSIONER MAY INFORM EACH OTHER PROMPTLY ON MATTERS THAT AFFECT ANY COMMUNITY HEALTH NETWORK, INCLUDING:

1. ANY IMPORTANT ACTION, CHANGE, OR ARRANGEMENT THAT A COMMUNITY HEALTH NETWORK MAY UNDERTAKE; AND

2. ANY REGULATORY MATTER; AND

(II) ESTABLISH MEANS TO COORDINATE AND INTEGRATE THE REGULATION OF THE COMPONENTS OF COMMUNITY HEALTH NETWORKS.

(D) A CERTIFICATE ISSUED UNDER THIS SECTION IS NOT TRANSFERABLE AND MAY NOT BE SOLD.

(E) A COMMUNITY HEALTH NETWORK MAY NOT BE SOLD.

19-701.2.

(A) IN THIS SECTION, "BOARD" MEANS THE BOARD OF DIRECTORS OF A COMMUNITY HEALTH NETWORK.

(B) THIS SECTION APPLIES TO A COMMUNITY HEALTH NETWORK THAT IS INCORPORATED UNDER THE LAWS OF THE STATE AND OPERATES UNDER A CERTIFICATE OF AUTHORITY ISSUED BY THE COMMISSIONER UNDER THIS SUBTITLE.

(C) (1) THE BUSINESS AND AFFAIRS OF A COMMUNITY HEALTH NETWORK SHALL BE MANAGED UNDER THE DIRECTION OF A BOARD OF DIRECTORS THAT INCLUDES:

(I) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, BROAD REPRESENTATION FROM THE COMMUNITY IT SERVES AND A PROCESS TO SELECT BOARD MEMBERS BASED ON NOMINATIONS FROM CONSUMERS AND ENROLLEES; AND

(II) SIGNIFICANT PARTICIPATION AND REPRESENTATION BY

(Over)

PHYSICIANS AND OTHER HEALTH CARE PROVIDERS IN THE COMMUNITY SERVED BY THE COMMUNITY HEALTH NETWORK.

(2) THE MEMBERSHIP OF THE BOARD SHALL:

(I) BE COMPRISED OF AT LEAST TWO-THIRDS OF INDIVIDUALS WHO ARE MARYLAND RESIDENTS; AND

(II) SHALL INCLUDE INDIVIDUALS WHO ARE CONSUMERS IN THE COMMUNITY SERVED BY THE COMMUNITY HEALTH NETWORK AND INDIVIDUALS WHO ARE ENROLLEES.

(D) (1) THE BOARD AND ITS INDIVIDUAL MEMBERS ARE FIDUCIARIES AND SHALL ACT:

(I) IN GOOD FAITH;

(II) IN A MANNER THAT IS REASONABLY BELIEVED TO BE IN THE BEST INTERESTS OF THE COMMUNITY HEALTH NETWORK; AND

(III) WITH THE CARE THAT AN ORDINARILY PRUDENT PERSON IN A LIKE POSITION WOULD USE UNDER SIMILAR CIRCUMSTANCES.

(2) A COMMUNITY HEALTH NETWORK IS SUBJECT TO THE PROVISIONS OF § 2-419 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

(3) A PERSON MAY NOT BE A MEMBER OF THE BOARD IF THE PERSON:

(I) HAS DEFAULTED ON THE PAYMENT OF A MONETARY OBLIGATION TO THE COMMUNITY HEALTH NETWORK; OR

(II) HAS BEEN CONVICTED OF A FELONY.”.

AMENDMENT NO. 3

On page 29, in line 32, after “organization” insert “OR COMMUNITY HEALTH NETWORK”; and strike beginning with “OR” in line 32 down through “ARTICLE” in line 34.

On page 31, in line 25, strike “19-2001” and substitute “19-701”.

On page 33, strike in their entirety lines 22 and 23.