

SENATE BILL 107

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By: **The President (By Request – Administration) and Senators DeGrange, Garagiola, Hogan, Kasemeyer, Klausmeier, Middleton, Miller, Peters, and Rosapepe**

Introduced and read first time: January 22, 2007

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Task Force on Health Care Access and Reimbursement**

3 FOR the purpose of establishing the Task Force on Health Care Access and
4 Reimbursement; providing for the membership of the Task Force; authorizing
5 the Task Force to consult with certain individuals and entities in performing
6 the duties of the Task Force; requiring the Secretary of Health and Mental
7 Hygiene to chair the Task Force and establish certain subcommittees; providing
8 for the duties of the Task Force; requiring the Task Force to make certain
9 recommendations; requiring the Department of Health and Mental Hygiene to
10 provide staff support to the Task Force; requiring the Task Force to make
11 certain reports to the Governor and General Assembly on or before certain
12 dates; providing that members of the Task Force are entitled to a certain
13 reimbursement; providing for the termination of this Act; and generally relating
14 to the Task Force on Health Care Access and Reimbursement.

15 BY adding to

16 Article – Health – General

17 Section 19–710.3

18 Annotated Code of Maryland

19 (2005 Replacement Volume and 2006 Supplement)

20 Preamble

21 WHEREAS, Maryland has a national reputation as a leader in health care; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, It has always been a high priority of State government to
2 implement policies to encourage affordable and quality health care for all
3 Marylanders; and

4 WHEREAS, Maryland's commitment to affordable quality health care is now
5 threatened by growing numbers of uninsured and underinsured citizens and by
6 shortages of physicians and other health care providers; and

7 WHEREAS, Some data suggests that Maryland ranks nationally in the lowest
8 25th percentile for reimbursement payments to doctors and health care providers; and

9 WHEREAS, Other data suggests that Maryland is a high expense state for most
10 medical practices expenses; and

11 WHEREAS, There has been a significant increase in uncompensated and
12 undercompensated care provided by physicians and other health care providers; and

13 WHEREAS, Providing physicians and other health care providers with
14 reasonable and fair reimbursement compared with other states would be a catalyst for
15 preventing the present decline in health care in Maryland; and

16 WHEREAS, It is important to have a State-sanctioned study of physician and
17 health care provider reimbursement to avoid antitrust issues; and

18 WHEREAS, A study focused on provider reimbursement trends in Maryland
19 will coordinate with the collaborative work currently underway by a number of health
20 care providers, regulators, and academic institution stakeholders to analyze the trends
21 in the supply and future demand for health care providers; and

22 WHEREAS, These efforts will enable public policy makers to understand the
23 complete Maryland environment and develop the comprehensive solutions needed to
24 ensure that the citizens of Maryland have adequate access to quality health care
25 services; now, therefore,

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

28 **Article - Health - General**

29 **19-710.3.**

1 **(A) THERE IS A TASK FORCE ON HEALTH CARE ACCESS AND**
2 **REIMBURSEMENT.**

3 **(B) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS:**

4 **(1) TWO MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED**
5 **BY THE SPEAKER OF THE HOUSE;**

6 **(2) TWO MEMBERS OF THE SENATE OF MARYLAND, APPOINTED**
7 **BY THE PRESIDENT OF THE SENATE;**

8 **(3) THE SECRETARY OF HEALTH AND MENTAL HYGIENE;**

9 **(4) THE ATTORNEY GENERAL, OR THE ATTORNEY GENERAL'S**
10 **DESIGNEE;**

11 **(5) THE INSURANCE COMMISSIONER, OR THE INSURANCE**
12 **COMMISSIONER'S DESIGNEE; AND**

13 **(6) SIX INDIVIDUALS APPOINTED BY THE GOVERNOR.**

14 **(C) IN PERFORMING ITS DUTIES, THE TASK FORCE MAY CONSULT WITH**
15 **INDIVIDUALS AND ENTITIES THAT THE SECRETARY DEEMS APPROPRIATE.**

16 **(D) (1) THE SECRETARY OF HEALTH AND MENTAL HYGIENE SHALL:**

17 **(I) CHAIR THE TASK FORCE;**

18 **(II) ESTABLISH SUBCOMMITTEES AND APPOINT**
19 **SUBCOMMITTEE CHAIRS AS NECESSARY TO FACILITATE THE WORK OF THE TASK**
20 **FORCE; AND**

21 **(III) PROVIDE STAFF SUPPORT FOR THE TASK FORCE FROM**
22 **THE DEPARTMENT.**

23 **(2) TO THE EXTENT PRACTICABLE, THE MEMBERS APPOINTED TO**
24 **THE TASK FORCE SHALL REASONABLY REFLECT THE GEOGRAPHIC, RACIAL,**
25 **ETHNIC, CULTURAL, AND GENDER DIVERSITY OF THIS STATE.**

1 **(3) IN PERFORMING IT DUTIES, THE TASK FORCE SHALL INVITE**
2 **ALL INTERESTED GROUPS, INCLUDING PHYSICIAN GROUPS, HEALTH CARE**
3 **PROVIDER SPECIALTY GROUPS, EMPLOYERS, AND HEALTH INSURANCE**
4 **CARRIERS, TO PRESENT TESTIMONY OR OTHER INFORMATION TO THE TASK**
5 **FORCE CONCERNING:**

6 **(I) THE ISSUES TO BE STUDIED BY THE TASK FORCE;**

7 **(II) DATA ON THE REIMBURSEMENTS PAID TO PHYSICIANS**
8 **AND HEALTH CARE PROVIDERS BY HEALTH INSURANCE CARRIERS;**

9 **(III) TRENDS RELATING TO REIMBURSEMENT RATES AND**
10 **TOTAL PAYMENTS PAID TO PHYSICIANS AND HEALTH CARE PROVIDERS BY**
11 **HEALTH INSURANCE CARRIERS AND HEALTH BENEFIT PLANS; AND**

12 **(IV) DATA AND TRENDS IN PHYSICIAN AND HEALTH CARE**
13 **PROVIDER WORKFORCE SUPPLY AND FUTURE DEMAND.**

14 **(E) THE TASK FORCE SHALL EXAMINE:**

15 **(1) REIMBURSEMENT RATES AND TOTAL PAYMENTS PAID TO**
16 **MARYLAND PHYSICIANS AND OTHER HEALTH CARE PROVIDERS BY SPECIALTY**
17 **AND GEOGRAPHIC AREA AND TRENDS IN SUCH REIMBURSEMENT RATES AND**
18 **TOTAL PAYMENTS, INCLUDING A COMPARISON OF REIMBURSEMENT RATES,**
19 **TOTAL PAYMENTS, AND TRENDS IN OTHER STATES;**

20 **(2) THE IMPACT OF CHANGES IN REIMBURSEMENTS ON ACCESS**
21 **TO HEALTH CARE AND ON HEALTH CARE DISPARITIES, VOLUME OF SERVICES,**
22 **AND QUALITY OF CARE;**

23 **(3) THE EFFECT OF COMPETITION ON PAYMENTS TO PHYSICIANS**
24 **AND HEALTH CARE PROVIDERS;**

25 **(4) THE TRENDS FOR PHYSICIAN AND OTHER HEALTH CARE**
26 **PROVIDER SHORTAGES BY SPECIALTY AND GEOGRAPHIC AREA AND ANY IMPACT**
27 **ON HEALTH CARE ACCESS AND QUALITY CAUSED BY SUCH SHORTAGES,**
28 **INCLUDING EMERGENCY DEPARTMENT OVERCROWDING;**

1 (5) THE AMOUNT OF UNCOMPENSATED CARE BEING PROVIDED
2 BY PHYSICIANS AND OTHER HEALTH CARE PROVIDERS AND THE TRENDS IN
3 UNCOMPENSATED CARE IN MARYLAND AND IN OTHER STATES;

4 (6) THE EXTENT TO WHICH CURRENT REIMBURSEMENT METHODS
5 RECOGNIZE AND REWARD HIGHER QUALITY OF CARE; AND

6 (7) METHODS USED BY LARGE PURCHASERS TO EVALUATE
7 ADEQUACY AND COST OF PROVIDER NETWORKS.

8 (F) THE TASK FORCE SHALL DEVELOP RECOMMENDATIONS
9 REGARDING:

10 (1) SPECIFIC OPTIONS THAT ARE AVAILABLE, GIVEN
11 LIMITATIONS OF THE FEDERAL ERISA LAW, TO CHANGE PHYSICIAN
12 REIMBURSEMENTS, IF NEEDED;

13 (2) THE SUFFICIENCY OF PRESENT STATUTORY FORMULAS FOR
14 THE REIMBURSEMENT OF NONCONTRACTING PHYSICIANS BY HEALTH
15 MAINTENANCE ORGANIZATIONS;

16 (3) WHETHER THE MARYLAND INSURANCE ADMINISTRATION
17 AND THE ATTORNEY GENERAL CURRENTLY HAVE SUFFICIENT AUTHORITY TO
18 REGULATE RATE SETTING AND MARKET-RELATED PRACTICES BY INSURANCE
19 COMPANIES THAT MAY HAVE THE EFFECT OF UNREASONABLY REDUCING
20 REIMBURSEMENTS;

21 (4) WHETHER THERE IS A NEED TO ENHANCE THE ABILITY OF
22 PHYSICIANS AND PROVIDERS TO NEGOTIATE REIMBURSEMENT RATES WITH
23 PRIVATE HEALTH PLANS, WITHOUT UNDULY IMPAIRING THE ABILITY OF THE
24 PLANS TO APPROPRIATELY MANAGE THEIR PHYSICIAN NETWORKS;

25 (5) WHETHER THERE IS A NEED TO ESTABLISH A RATE-SETTING
26 SYSTEM FOR PHYSICIANS AND HEALTH CARE PROVIDERS SIMILAR TO THE
27 SYSTEM ESTABLISHED TO SET HOSPITAL RATES IN MARYLAND; AND

28 (6) THE ADVISABILITY OF THE USE OF PAYMENT METHODS
29 LINKED TO QUALITY OF CARE OR OUTCOMES.

1 **(G) (1) THE TASK FORCE SHALL REPORT ITS FINDINGS AND**
2 **RECOMMENDATIONS TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE**
3 **STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, ON OR BEFORE**
4 **DECEMBER 31, 2007.**

5 **(2) IF THE TASK FORCE DETERMINES IT WILL NOT COMPLETE ITS**
6 **WORK BY DECEMBER 31, 2007, THE TASK FORCE SHALL, IN THE SAME MANNER**
7 **AS PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION:**

8 **(I) SUBMIT AN INTERIM REPORT OF ITS FINDINGS AND**
9 **RECOMMENDATIONS ON OR BEFORE DECEMBER 1, 2007; AND**

10 **(II) SUBMIT A FINAL REPORT OF ITS FINDINGS AND**
11 **RECOMMENDATIONS ON OR BEFORE JULY 1, 2008.**

12 **(H) A MEMBER OF THE TASK FORCE MAY NOT RECEIVE COMPENSATION**
13 **AS A MEMBER OF THE TASK FORCE BUT IS ENTITLED TO REIMBURSEMENT FOR**
14 **EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED**
15 **IN THE STATE BUDGET.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2007. It shall remain effective for a period of 1 year and, at the end of July 1,
18 2008, with no further action required by the General Assembly, this Act shall be
19 abrogated and of no further force and effect.