

SENATE BILL 107

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71r0156
CF HB 138

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

Introduced and read first time: January 22, 2007

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2007

CHAPTER _____

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2005 Replacement Volume and 2006 Supplement)

2 Preamble

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

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

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

10 WHEREAS, Some data suggests that Maryland ranks nationally in the lowest
11 25th percentile for reimbursement payments to doctors and health care providers; and

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

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

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

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

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

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

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

1 (III) PROVIDE STAFF SUPPORT FOR THE TASK FORCE FROM
2 THE DEPARTMENT.

3 (2) TO THE EXTENT PRACTICABLE, THE MEMBERS APPOINTED TO
4 THE TASK FORCE SHALL REASONABLY REFLECT THE GEOGRAPHIC, RACIAL,
5 ETHNIC, CULTURAL, AND GENDER DIVERSITY OF ~~THIS~~ THE STATE.

6 (3) IN PERFORMING ~~IF~~ ITS DUTIES, THE TASK FORCE SHALL
7 INVITE ALL INTERESTED GROUPS, INCLUDING PHYSICIAN GROUPS, HEALTH
8 CARE PROVIDER SPECIALTY GROUPS, EMPLOYERS, AND HEALTH INSURANCE
9 CARRIERS, TO PRESENT TESTIMONY OR OTHER INFORMATION TO THE TASK
10 FORCE CONCERNING:

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

12 (II) DATA ON THE REIMBURSEMENTS PAID TO PHYSICIANS
13 AND OTHER HEALTH CARE PROVIDERS BY HEALTH INSURANCE CARRIERS;

14 (III) TRENDS RELATING TO REIMBURSEMENT RATES AND
15 TOTAL PAYMENTS ~~PAID~~ TO PHYSICIANS AND OTHER HEALTH CARE PROVIDERS
16 BY HEALTH INSURANCE CARRIERS ~~AND HEALTH BENEFIT PLANS~~; AND

17 (IV) DATA AND TRENDS IN PHYSICIAN AND OTHER HEALTH
18 CARE PROVIDER WORKFORCE SUPPLY AND FUTURE DEMAND.

19 (E) THE TASK FORCE SHALL EXAMINE:

20 (1) REIMBURSEMENT RATES AND TOTAL PAYMENTS ~~PAID~~ TO
21 ~~MARYLAND~~ PHYSICIANS AND OTHER HEALTH CARE PROVIDERS BY SPECIALTY
22 AND GEOGRAPHIC AREA AND TRENDS IN SUCH REIMBURSEMENT RATES AND
23 TOTAL PAYMENTS, INCLUDING A COMPARISON OF REIMBURSEMENT RATES,
24 TOTAL PAYMENTS, AND TRENDS IN OTHER STATES;

25 (2) THE IMPACT OF CHANGES IN REIMBURSEMENTS ON ACCESS
26 TO HEALTH CARE AND ON HEALTH CARE DISPARITIES, VOLUME OF SERVICES,
27 AND QUALITY OF CARE;

28 (3) THE EFFECT OF COMPETITION ON PAYMENTS TO PHYSICIANS
29 AND OTHER HEALTH CARE PROVIDERS;

1 (4) THE TRENDS FOR PHYSICIAN AND OTHER HEALTH CARE
2 PROVIDER SHORTAGES BY SPECIALTY AND GEOGRAPHIC AREA AND ANY IMPACT
3 ON HEALTH CARE ACCESS AND QUALITY CAUSED BY SUCH SHORTAGES,
4 INCLUDING ~~EMERGENCY—DEPARTMENT~~ EMERGENCY DEPARTMENT
5 OVERCROWDING;

6 (5) THE AMOUNT OF UNCOMPENSATED CARE BEING PROVIDED
7 BY PHYSICIANS AND OTHER HEALTH CARE PROVIDERS AND THE TRENDS IN
8 UNCOMPENSATED CARE IN MARYLAND AND IN OTHER STATES;

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

11 (7) METHODS USED BY LARGE PURCHASERS OF HEALTH CARE TO
12 EVALUATE ADEQUACY AND COST OF PROVIDER NETWORKS.

13 (F) THE TASK FORCE SHALL DEVELOP RECOMMENDATIONS
14 REGARDING:

15 (1) SPECIFIC OPTIONS THAT ARE AVAILABLE, GIVEN
16 LIMITATIONS OF THE FEDERAL ERISA LAW, TO CHANGE PHYSICIAN AND OTHER
17 HEALTH CARE PROVIDER REIMBURSEMENTS, IF NEEDED;

18 (2) THE SUFFICIENCY OF PRESENT STATUTORY FORMULAS FOR
19 THE REIMBURSEMENT OF NONCONTRACTING PHYSICIANS AND OTHER HEALTH
20 CARE PROVIDERS BY HEALTH MAINTENANCE ORGANIZATIONS;

21 (3) WHETHER THE MARYLAND INSURANCE ADMINISTRATION
22 AND THE ATTORNEY GENERAL CURRENTLY HAVE SUFFICIENT AUTHORITY TO
23 REGULATE RATE SETTING AND MARKET-RELATED PRACTICES ~~BY INSURANCE~~
24 ~~COMPANIES~~ OF HEALTH INSURANCE CARRIERS THAT MAY HAVE THE EFFECT OF
25 UNREASONABLY REDUCING REIMBURSEMENTS;

26 (4) WHETHER THERE IS A NEED TO ENHANCE THE ABILITY OF
27 PHYSICIANS AND OTHER HEALTH CARE PROVIDERS TO NEGOTIATE
28 REIMBURSEMENT RATES WITH ~~PRIVATE HEALTH PLANS~~ HEALTH INSURANCE
29 CARRIERS, WITHOUT UNDULY IMPAIRING THE ABILITY OF THE ~~PLANS~~ CARRIERS
30 TO APPROPRIATELY MANAGE THEIR ~~PHYSICIAN~~ PROVIDER NETWORKS;

1 **(5) WHETHER THERE IS A NEED TO ESTABLISH A RATE-SETTING**
2 **SYSTEM FOR PHYSICIANS AND OTHER HEALTH CARE PROVIDERS SIMILAR TO**
3 **THE SYSTEM ESTABLISHED TO SET HOSPITAL RATES IN MARYLAND; AND**

4 **(6) THE ADVISABILITY OF THE USE OF PAYMENT METHODS**
5 **LINKED TO QUALITY OF CARE OR OUTCOMES.**

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

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

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

15 **(II) SUBMIT A FINAL REPORT OF ITS FINDINGS AND**
16 **RECOMMENDATIONS ON OR BEFORE ~~JULY 1,~~ JUNE 30, 2008.**

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

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2007. It shall remain effective for a period of 1 year and, at the end of ~~July 1~~
23 June 30, 2008, with no further action required by the General Assembly, this Act shall
24 be abrogated and of no further force and effect.