

CHAPTER 505

(Senate Bill 107)

AN ACT concerning

Task Force on Health Care Access and Reimbursement

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

BY adding to

Article – Health – General

Section 19–710.3

Annotated Code of Maryland

(2005 Replacement Volume and 2006 Supplement)

Preamble

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

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

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

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

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

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

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

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

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

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

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

Article - Health - General

19-710.3.

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

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

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

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

(3) THE SECRETARY OF HEALTH AND MENTAL HYGIENE;

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

(5) THE INSURANCE COMMISSIONER, OR THE INSURANCE COMMISSIONER'S DESIGNEE; ~~AND~~

(6) THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE SECRETARY'S DESIGNEE; AND

~~(6)~~ (7) SIX INDIVIDUALS APPOINTED BY THE GOVERNOR.

(C) IN PERFORMING ITS DUTIES, THE TASK FORCE MAY CONSULT WITH INDIVIDUALS AND ENTITIES THAT THE SECRETARY OF HEALTH AND MENTAL HYGIENE DEEMS APPROPRIATE.

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

(I) CHAIR THE TASK FORCE;

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

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

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

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

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

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

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

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

(E) THE TASK FORCE SHALL EXAMINE:

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

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

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

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

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

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

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

(8) (I) THE PRACTICE BY CERTAIN HEALTH INSURANCE CARRIERS OF REQUIRING HEALTH CARE PROVIDERS WHO JOIN A PROVIDER NETWORK OF A CARRIER TO ALSO SERVE ON A PROVIDER NETWORK OF A DIFFERENT CARRIER; AND

(II) THE EFFECT OF THE PRACTICE DESCRIBED IN ITEM (I) OF THIS ITEM ON HEALTH CARE PROVIDER PAYMENTS AND WILLINGNESS TO SERVE ON PROVIDER NETWORKS OF HEALTH INSURANCE CARRIERS.

(F) THE TASK FORCE SHALL DEVELOP RECOMMENDATIONS REGARDING:

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

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

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

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

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

(6) THE ADVISABILITY OF THE USE OF PAYMENT METHODS LINKED TO QUALITY OF CARE OR OUTCOMES; AND

(7) THE NEED TO PROHIBIT A HEALTH INSURANCE CARRIER FROM REQUIRING HEALTH CARE PROVIDERS WHO JOIN A PROVIDER NETWORK OF THE CARRIER TO ALSO SERVE ON A PROVIDER NETWORK OF A DIFFERENT CARRIER.

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

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

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

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

(3) NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, THE TASK FORCE SHALL SUBMIT ITS FINDINGS AND RECOMMENDATIONS RELATING TO SUBSECTION (F)(7) OF THIS SECTION ON OR BEFORE DECEMBER 31, 2007.

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

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

Approved by the Governor, May 17, 2007.