

HOUSE BILL 929

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CF SB 855

By: **The Speaker (By Request – Administration) and Delegates Aumann, Benson, Bobo, Bromwell, Bronrott, Busch, Carter, Costa, Donoghue, Elliott, Feldman, Gaines, Gutierrez, Hammen, Hucker, Ivey, James, Kaiser, Kullen, Lee, Manno, Mizeur, Montgomery, Nathan–Pulliam, Pena–Melnyk, Pendergrass, Reznik, Stein, Tarrant, V. Turner, and Waldstreicher**

Introduced and read first time: February 12, 2010

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Patient Centered Medical Home Program**

3 FOR the purpose of requiring the Maryland Health Care Commission to establish a
4 Maryland Patient Centered Medical Home Program under certain
5 circumstances; authorizing certain health insurance carriers to elect to
6 participate in the Program; requiring certain health insurance carriers to
7 participate in the Program; authorizing the Department of Health and Mental
8 Hygiene to require certain managed care organizations to participate in the
9 Program under certain circumstances; authorizing the Commission to authorize
10 a health insurance carrier to implement a single carrier patient centered
11 medical home program; providing for the construction of certain provisions of
12 this Act; requiring the Commission to adopt certain standards and practices for
13 the Program; requiring the Commission to adopt certain payment methods for
14 the Program; requiring the Commission to adopt certain health care quality and
15 performance measures to be reported to the Commission and to certain carriers;
16 requiring the Commission to consider certain information when developing
17 certain standards; requiring the Commission to consult with certain carriers
18 and primary care practices in developing certain payment methods; establishing
19 certain enrollment procedures for the Program; authorizing the Commission to
20 adopt certain regulations; authorizing certain health insurance carriers to pay a
21 patient centered medical home for certain services, pay certain bonuses and
22 fees, and share certain medical information about certain individuals; requiring
23 certain insurers, nonprofit health service plans, health maintenance
24 organizations, and managed care organizations to comply with certain
25 provisions of this Act pertaining to the Program; defining certain terms;
26 requiring the Commission to retain a consultant or consulting firm to conduct a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain independent evaluation; requiring the Commission to consider certain
2 information in the evaluation; requiring the Commission to report its findings to
3 certain committees; and generally relating to the Maryland Patient Centered
4 Medical Home Program.

5 BY adding to

6 Article – Insurance

7 Section 15–1801 and 15–1802 to be under the new subtitle “Subtitle 18.
8 Exemption for a Patient Centered Medical Home Program”

9 Annotated Code of Maryland

10 (2006 Replacement Volume and 2009 Supplement)

11 BY adding to

12 Article – Health – General

13 Section 19–1A–01 through 19–1A–04 to be under the new subtitle “Subtitle 1A.
14 Patient Centered Medical Home Program”

15 Annotated Code of Maryland

16 (2009 Replacement Volume)

17 Preamble

18 WHEREAS, Health care costs continue to increase, making it more difficult for
19 individuals, families, and businesses to afford a health benefit plan; and

20 WHEREAS, The increase in health care costs is, in part, attributable to
21 inadequate coordination of care among providers, difficulties accessing primary care,
22 and a lack of engagement between patients and their primary care providers; and

23 WHEREAS, Patient centered medical homes enhance care coordination and
24 promote high quality, cost-effective care by engaging patients and their primary care
25 providers; and

26 WHEREAS, The standards qualifying a primary care practice as a patient
27 centered medical home, the quality measures that primary care practices must gather
28 and report to demonstrate quality care, and the payment methodologies used to
29 reimburse patient centered medical homes are inconsistent across carriers, and that
30 inconsistency presents a major barrier to developing effective patient centered medical
31 homes; and

32 WHEREAS, Patient centered medical homes are more likely to succeed if all
33 carriers in Maryland use a single definition, a common set of quality measures, and a
34 uniform payment methodology; and

35 WHEREAS, As a result of the complexity of establishing patient centered
36 medical home programs, the State seeks to develop best practices in how to structure
37 such a program through the experience to be gained in a State-sponsored patient
38 centered medical home program and through programs that may be developed by
39 private carriers and Medicaid managed care organizations; and

1 WHEREAS, It is desirable to have an ongoing process by which the effectiveness
2 of patient centered medical homes can be evaluated; and

3 WHEREAS, Establishing and promoting patient centered medical homes in
4 Maryland through both a State-sponsored program and similar programs
5 implemented by private carriers and Medicaid managed care organizations will
6 achieve higher quality health care for Maryland citizens and will help slow the
7 continuing escalation of health care costs; now, therefore,

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

10 **Article – Insurance**

11 **SUBTITLE 18. EXEMPTION FOR A PATIENT CENTERED MEDICAL HOME**
12 **PROGRAM.**

13 **15-1801.**

14 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
15 **INDICATED.**

16 **(B) “CARRIER” MEANS:**

17 **(1) AN INSURER THAT HOLDS A CERTIFICATE OF AUTHORITY IN**
18 **THE STATE AND PROVIDES HEALTH BENEFIT PLANS IN THE STATE;**

19 **(2) A HEALTH MAINTENANCE ORGANIZATION THAT IS LICENSED**
20 **TO OPERATE IN THE STATE;**

21 **(3) A MANAGED CARE ORGANIZATION AUTHORIZED TO RECEIVE**
22 **MEDICAID PREPAID CAPITATION PAYMENTS UNDER TITLE 15, SUBTITLE 1 OF**
23 **THE HEALTH – GENERAL ARTICLE; OR**

24 **(4) A NONPROFIT HEALTH SERVICE PLAN THAT IS LICENSED TO**
25 **OPERATE IN THE STATE.**

26 **(C) “COMMISSION” MEANS THE MARYLAND HEALTH CARE**
27 **COMMISSION ESTABLISHED UNDER TITLE 19, SUBTITLE 1 OF THE HEALTH –**
28 **GENERAL ARTICLE.**

29 **(D) “COVERED MEDICAL SERVICES” MEANS THE HEALTH CARE**
30 **SERVICES THAT ARE INCLUDED AS BENEFITS UNDER A HEALTH BENEFIT PLAN**
31 **ISSUED BY A CARRIER.**

1 **(E) (1) “HEALTH BENEFIT PLAN” HAS THE MEANING STATED IN §**
2 **15-1301 OF THIS TITLE.**

3 **(2) “HEALTH BENEFIT PLAN” INCLUDES COVERAGE PROVIDED**
4 **TO ENROLLEES OF A MANAGED CARE ORGANIZATION AUTHORIZED UNDER**
5 **TITLE 15, SUBTITLE 1 OF THE HEALTH – GENERAL ARTICLE.**

6 **(F) “QUALIFYING INDIVIDUAL” HAS THE MEANING STATED IN §**
7 **19-1A-01 OF THE HEALTH – GENERAL ARTICLE.**

8 **(G) “PATIENT CENTERED MEDICAL HOME” HAS THE MEANING STATED**
9 **IN § 19-1A-01 OF THE HEALTH – GENERAL ARTICLE.**

10 **(H) “SINGLE CARRIER PATIENT CENTERED MEDICAL HOME PROGRAM”**
11 **MEANS A PROGRAM IMPLEMENTED BY A PRIVATE CARRIER TO PROMOTE THE**
12 **DEVELOPMENT OF A PATIENT CENTERED MEDICAL HOME.**

13 **15-1802.**

14 **(A) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE OR**
15 **THE HEALTH – GENERAL ARTICLE, A CARRIER THAT IS PARTICIPATING IN THE**
16 **MARYLAND PATIENT CENTERED MEDICAL HOME PROGRAM UNDER TITLE 19,**
17 **SUBTITLE 1A OF THE HEALTH – GENERAL ARTICLE OR A CARRIER THAT HAS**
18 **BEEN AUTHORIZED BY THE COMMISSION TO IMPLEMENT A SINGLE CARRIER**
19 **PATIENT CENTERED MEDICAL HOME PROGRAM MAY:**

20 **(1) PAY A PATIENT CENTERED MEDICAL HOME FOR SERVICES**
21 **ASSOCIATED WITH COORDINATION OF COVERED MEDICAL SERVICES TO**
22 **QUALIFYING INDIVIDUALS;**

23 **(2) PAY A PATIENT CENTERED MEDICAL HOME PROVIDER A**
24 **BONUS, FEE BASED INCENTIVE, BUNDLED FEES, OR OTHER INCENTIVES**
25 **APPROVED BY THE COMMISSION; AND**

26 **(3) SHARE MEDICAL INFORMATION ABOUT A QUALIFYING**
27 **INDIVIDUAL WHO HAS ELECTED TO PARTICIPATE IN THE PATIENT CENTERED**
28 **MEDICAL HOME WITH THE QUALIFYING INDIVIDUAL’S PATIENT CENTERED**
29 **MEDICAL HOME AND OTHER TREATING PROVIDERS RENDERING HEALTH CARE**
30 **SERVICES TO THE QUALIFYING INDIVIDUAL.**

31 **(B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION:**

1 **(G) “PROMINENT CARRIER” MEANS A CARRIER REPORTING AT LEAST**
2 **\$90,000,000 IN WRITTEN PREMIUMS FOR HEALTH BENEFIT PLANS IN THE**
3 **STATE IN THE MOST RECENT MARYLAND HEALTH BENEFIT PLAN REPORT**
4 **SUBMITTED TO THE INSURANCE COMMISSIONER AS REQUIRED UNDER § 15-605**
5 **OF THE INSURANCE ARTICLE.**

6 **(H) “QUALIFYING INDIVIDUAL” MEANS A PERSON COVERED UNDER A**
7 **HEALTH BENEFIT PLAN ISSUED BY A CARRIER.**

8 **(I) “SINGLE PAYER PATIENT CENTERED MEDICAL HOME PROGRAM”**
9 **MEANS A PROGRAM IMPLEMENTED BY A SINGLE CARRIER OR MEDICAID**
10 **MANAGED CARE ORGANIZATION TO PROMOTE THE DEVELOPMENT OF A PATIENT**
11 **CENTERED MEDICAL HOME.**

12 **19-1A-02.**

13 **(A) SUBJECT TO § 19-1A-03(A) OF THIS SUBTITLE, THE COMMISSION**
14 **SHALL ESTABLISH THE MARYLAND PATIENT CENTERED MEDICAL HOME**
15 **PROGRAM TO PROMOTE DEVELOPMENT OF PATIENT CENTERED MEDICAL**
16 **HOMES.**

17 **(B) (1) A CARRIER MAY ELECT TO PARTICIPATE IN THE MARYLAND**
18 **PATIENT CENTERED MEDICAL HOME PROGRAM.**

19 **(2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF**
20 **THIS SUBSECTION, A PROMINENT CARRIER OTHER THAN A MEDICAID MANAGED**
21 **CARE ORGANIZATION SHALL PARTICIPATE IN THE MARYLAND PATIENT**
22 **CENTERED MEDICAL HOME PROGRAM.**

23 **(3) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPHS (1)**
24 **AND (2) OF THIS SUBSECTION, THE DEPARTMENT MAY REQUIRE THAT CERTAIN**
25 **MEDICAID MANAGED CARE ORGANIZATIONS PARTICIPATE IN THE MARYLAND**
26 **PATIENT CENTERED MEDICAL HOME PROGRAM AS ALLOWED BY LAW AND**
27 **SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET.**

28 **(C) THE COMMISSION MAY ALSO AUTHORIZE A CARRIER TO IMPLEMENT**
29 **A SINGLE CARRIER PATIENT CENTERED MEDICAL HOME PROGRAM.**

30 **(D) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO LIMIT OR**
31 **PROHIBIT A CARRIER FROM PROVIDING A BONUS, FEE BASED INCENTIVES,**
32 **BUNDLED INCENTIVES, OR OTHER INCENTIVE-BASED COMPENSATION:**

1 (1) AS AUTHORIZED BY THE COMMISSION FOR A PATIENT
2 CENTERED MEDICAL HOME; OR

3 (2) AS ALLOWED UNDER § 15-113 OF THE INSURANCE ARTICLE.

4 **19-1A-03.**

5 (A) NOTWITHSTANDING ANY STATE OR FEDERAL LAW THAT PROHIBITS
6 THE COLLABORATION OF CARRIERS OR PROVIDERS ON PAYMENT, THE
7 COMMISSION MAY ESTABLISH THE MARYLAND PATIENT CENTERED MEDICAL
8 HOME PROGRAM, IF THE COMMISSION CONCLUDES THAT THE PROGRAM:

9 (1) IS LIKELY TO RESULT IN THE DELIVERY OF MORE EFFICIENT
10 AND EFFECTIVE HEALTH CARE SERVICES; AND

11 (2) IS IN THE PUBLIC INTEREST.

12 (B) IN ESTABLISHING THE MARYLAND PATIENT CENTERED MEDICAL
13 HOME PROGRAM THE COMMISSION SHALL ADOPT:

14 (1) STANDARDS QUALIFYING A PRIMARY CARE PRACTICE AS A
15 PARTICIPANT IN THE MARYLAND PATIENT CENTERED MEDICAL HOME
16 PROGRAM;

17 (2) THE PAYMENT METHOD TO BE USED BY A CARRIER TO PAY A
18 PARTICIPATING PATIENT CENTERED MEDICAL HOME FOR SERVICES
19 ASSOCIATED WITH THE COORDINATION OF COVERED HEALTH CARE SERVICES;

20 (3) STANDARDS TO BE USED TO DETERMINE THE BONUS, FEE
21 BASED INCENTIVE, BUNDLED FEES, OR OTHER INCENTIVES A CARRIER MAY PAY
22 TO A PARTICIPATING PATIENT CENTERED MEDICAL HOME BASED ON THE
23 SAVINGS FROM REDUCED HEALTH CARE EXPENDITURES BY QUALIFYING
24 INDIVIDUALS ATTRIBUTED TO THE PARTICIPATING PATIENT CENTERED
25 MEDICAL HOME;

26 (4) THE METHOD FOR ATTRIBUTING A PATIENT TO A
27 PARTICIPATING PATIENT CENTERED MEDICAL HOME;

28 (5) THE UNIFORM SET OF HEALTH CARE QUALITY AND
29 PERFORMANCE MEASURES THAT THE PARTICIPATING PATIENT CENTERED
30 MEDICAL HOME IS TO REPORT TO THE COMMISSION AND TO CARRIERS;

1 **(6) THE ENROLLMENT FORM NOTIFYING CARRIERS A**
2 **QUALIFYING INDIVIDUAL HAS VOLUNTARILY AGREED TO PARTICIPATE IN THE**
3 **MARYLAND PATIENT CENTERED MEDICAL HOME PROGRAM; AND**

4 **(7) THE PROCESS FOR PRIMARY CARE PRACTICES TO COMMENCE**
5 **AND TERMINATE PARTICIPATION IN THE MARYLAND PATIENT CENTERED**
6 **MEDICAL HOME PROGRAM.**

7 **(C) IN DEVELOPING THE STANDARDS REQUIRED IN SUBSECTION (B)(1)**
8 **OF THIS SECTION, THE COMMISSION SHALL CONSIDER:**

9 **(1) THE USE OF HEALTH INFORMATION TECHNOLOGY,**
10 **INCLUDING ELECTRONIC MEDICAL RECORDS;**

11 **(2) THE RELATIONSHIP BETWEEN THE PRIMARY CARE PRACTICE,**
12 **SPECIALISTS, OTHER PROVIDERS, AND HOSPITALS;**

13 **(3) THE ACCESS STANDARDS FOR QUALIFYING INDIVIDUALS TO**
14 **RECEIVE PRIMARY MEDICAL CARE IN A TIMELY MANNER; AND**

15 **(4) THE ABILITY OF THE PRIMARY CARE PRACTICE TO FOSTER A**
16 **PARTNERSHIP WITH QUALIFYING INDIVIDUALS.**

17 **(D) IN DEVELOPING THE PAYMENT METHOD REQUIRED IN SUBSECTION**
18 **(B)(2) OF THIS SECTION, THE COMMISSION, IN CONSULTATION WITH CARRIERS**
19 **AND PRIMARY CARE PRACTICES, SHALL:**

20 **(1) DEFINE THE PAYMENT METHOD USED BY A CARRIER TO PAY A**
21 **PARTICIPATING PATIENT CENTERED MEDICAL HOME FOR SERVICES**
22 **ASSOCIATED WITH THE COORDINATION OF COVERED HEALTH CARE SERVICES;**
23 **AND**

24 **(2) DEFINE THE METHODOLOGY FOR DETERMINING ANY BONUS,**
25 **FEE BASED INCENTIVE, BUNDLED FEES, OR OTHER INCENTIVES TO BE PAID BY A**
26 **CARRIER TO A PARTICIPATING PATIENT CENTERED MEDICAL HOME BASED ON**
27 **IMPROVEMENTS IN QUALITY OR EFFICIENCY.**

28 **(E) (1) TO COMMENCE, RENEW, OR TERMINATE PARTICIPATION IN**
29 **THE MARYLAND PATIENT CENTERED MEDICAL HOME PROGRAM, A**
30 **QUALIFYING INDIVIDUAL SHALL COMPLETE FORMS ADOPTED BY THE**
31 **COMMISSION.**

32 **(2) THE ENROLLMENT FORM SHALL AUTHORIZE THE CARRIER,**
33 **THE PARTICIPATING PATIENT CENTERED MEDICAL HOME TREATING THE**

1 QUALIFYING INDIVIDUAL, AND OTHER PROVIDERS TREATING THE QUALIFYING
2 INDIVIDUAL TO SHARE MEDICAL INFORMATION ABOUT THE QUALIFYING
3 INDIVIDUAL WITH EACH OTHER.

4 (3) THE AUTHORIZATION UNDER PARAGRAPH (2) OF THIS
5 SUBSECTION SHALL BE VALID FOR A PERIOD NOT TO EXCEED 1 YEAR.

6 (4) THE RENEWAL FORM SHALL EXTEND THE AUTHORIZATION
7 UNDER PARAGRAPH (2) OF THIS SUBSECTION FOR AN ADDITIONAL PERIOD NOT
8 TO EXCEED 1 YEAR.

9 (5) A CARRIER PARTICIPATING IN THE MARYLAND PATIENT
10 CENTERED MEDICAL HOME PROGRAM SHALL ACCEPT FORMS ADOPTED BY THE
11 COMMISSION AS THE SOLE INSTRUMENT FOR NOTIFICATION THAT A
12 QUALIFYING INDIVIDUAL HAS VOLUNTARILY AGREED TO PARTICIPATE OR
13 TERMINATE PARTICIPATION IN THE MARYLAND PATIENT CENTERED MEDICAL
14 HOME PROGRAM.

15 (F) THE COMMISSION MAY ADOPT REGULATIONS TO ESTABLISH THE
16 MARYLAND PATIENT CENTERED MEDICAL HOME PROGRAM.

17 19-1A-04.

18 (A) (1) THE COMMISSION SHALL RETAIN A CONSULTANT OR
19 CONSULTING FIRM TO CONDUCT AN INDEPENDENT EVALUATION OF THE
20 EFFECTIVENESS OF THE MARYLAND PATIENT CENTERED MEDICAL HOME
21 PROGRAM IN REDUCING HEALTH CARE COSTS AND IMPROVING HEALTH CARE
22 OUTCOMES.

23 (2) THE COMMISSION MAY INCLUDE ANY SINGLE CARRIER
24 PATIENT CENTERED MEDICAL HOME PROGRAM IN THE EVALUATION DESCRIBED
25 IN PARAGRAPH (1) OF THIS SUBSECTION.

26 (3) IN CONDUCTING THE EVALUATION, THE COMMISSION SHALL
27 CONSIDER IMPROVEMENTS IN HEALTH CARE DELIVERY, THE SATISFACTION OF
28 QUALIFYING INDIVIDUALS AND PRIMARY CARE PRACTICES, AND THE IMPACT ON
29 HEALTH CARE EXPENDITURES RESULTING FROM THE MARYLAND PATIENT
30 CENTERED MEDICAL HOME PROGRAM AND ANY AUTHORIZED SINGLE CARRIER
31 PATIENT CENTERED MEDICAL HOME PROGRAM INCLUDED IN THE STUDY.

32 (B) ON OR BEFORE DECEMBER 1, 2014, THE COMMISSION SHALL
33 REPORT ITS FINDINGS, IN ACCORDANCE WITH § 2-1246 OF THE STATE
34 GOVERNMENT ARTICLE, TO THE SENATE FINANCE COMMITTEE AND THE
35 HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2010.