Chapter 5
(Senate Bill 855)

AN ACT concerning

Patient Centered Medical Home Program

FOR the purpose of requiring the Maryland Health Care Commission to establish a Maryland Patient Centered Medical Home Program under certain circumstances; authorizing certain health insurance carriers to elect to participate in the Program; requiring certain health insurance carriers to participate in the Program; authorizing the Department of Health and Mental Hygiene to require certain managed care organizations and certain enrollees to participate in the Program under certain circumstances; requiring the Department to ensure that participation in the Program of managed care organizations and certain enrollees will support certain standards; authorizing the Commission to authorize a health insurance carrier to implement a certain single carrier patient centered medical home program; providing for the construction of certain provisions of this Act; requiring the Commission, in consultation with the Department, carriers, managed care organizations, and primary care practices, to adopt certain standards and practices for the Program; requiring the Commission to adopt certain payment methods for the Program; requiring the Commission to adopt certain health care quality and performance measures to be reported to the Commission and to certain carriers and managed care organizations; requiring the Commission to consider certain information when developing certain standards; requiring the Commission to consult with certain carriers and primary care practices in developing certain payment methods; certain standards to define a certain payment method and a certain methodology; establishing certain enrollment procedures for the Program; requiring the Commission to conduct certain educational activities and ensure that a participating patient centered medical home provides certain care for a certain purpose; authorizing the Commission to adopt certain regulations; authorizing certain health insurance carriers to pay a patient centered medical home for certain services, pay certain bonuses and fees, and share certain medical information about certain individuals; requiring certain insurers, nonprofit health service plans, and health maintenance organizations, and managed care organizations to comply with certain provisions of this Act pertaining to the Program; making certain provisions of this Act applicable to health maintenance organizations; defining certain terms; requiring the Commission to retain a consultant or consulting firm to conduct a certain independent evaluation; requiring the Commission to consider certain information in the evaluation; requiring the Commission to report its findings to certain committees; requiring the Commission to consult with the Maryland Community Health Resources Commission for a certain purpose; authorizing
the Maryland Community Health Resources Commission to provide certain assistance and leverage certain assets for a certain purpose; providing for the termination of this Act; and generally relating to the Maryland Patient Centered Medical Home Program.

BY adding to

Article – Insurance
Section 15–1801 and 15–1802 to be under the new subtitle “Subtitle 18. Exemption for a Patient Centered Medical Home Program”
Annotated Code of Maryland
(2006 Replacement Volume and 2009 Supplement)

BY adding to

Article – Health – General
Section 19–1A–01 through 19–1A–04 19–1A–05 to be under the new subtitle “Subtitle 1A. Patient Centered Medical Home Program”; and 19–706(cccc)
Annotated Code of Maryland
(2009 Replacement Volume)

Preamble

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

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

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

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

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

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

WHEREAS, Inconsistent access to health care services and variable quality of care provided to patients have been shown to result in poorer health outcomes and health care disparities; and

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

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

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

Article – Insurance

SUBTITLE 18. EXEMPTION FOR A PATIENT CENTERED MEDICAL HOME PROGRAM.

15–1801.

(A) In this subtitle the following words have the meanings indicated.

(B) “Carrier” means:

(1) an insurer that holds a certificate of authority in the State and provides health benefit plans in the State;

(2) a health maintenance organization that is licensed to operate in the State;

(3) a managed care organization authorized to receive Medicaid prepaid capitation payments under Title 15, Subtitle 1 of the Health-General Article; or

(4) a nonprofit health service plan that is licensed to operate in the State.
(C) “Commission” means the Maryland Health Care Commission established under Title 19, Subtitle 1 of the Health – General Article.

(D) “Covered medical services” means the health care services that are included as benefits under a health benefit plan issued by a carrier.

(E) (1) “Health benefit plan” has the meaning stated in § 15–1301 of this title.

(2) “Health benefit plan” includes coverage provided to enrollees of a managed care organization authorized under Title 15, Subtitle 1 of the Health – General Article.

(F) “Qualifying individual” has the meaning stated in § 19–1A–01 of the Health – General Article.

(G) “Patient centered medical home” has the meaning stated in § 19–1A–01 of the Health – General Article.

(H) “Single carrier patient centered medical home program” means a program implemented by a private carrier to promote the development of a patient centered medical home.

15–1802.

(A) Notwithstanding any other provision of this article or the Health – General Article, a carrier that is participating in the Maryland Patient Centered Medical Home Program under Title 19, Subtitle 1A of the Health – General Article or a carrier that has been authorized by the Commission to implement a single carrier patient centered medical home program may:

(1) pay a patient centered medical home for services associated with coordination of covered medical services to qualifying individuals;

(2) pay a patient centered medical home provider a bonus, fee based incentive, bundled fees, or other incentives approved by the Commission; and
(3) Share medical information about a qualifying individual who has elected to participate in the patient centered medical home with the qualifying individual’s patient centered medical home and other treating providers rendering health care services to the qualifying individual.

(B) Except as otherwise provided in this section:

(1) An insurer or nonprofit health service plan that participates in the Maryland patient centered medical home program under Title 19, Subtitle 1A of the Health – General Article or that is authorized by the Commission to implement a single carrier patient centered medical home program shall comply with this article; and

(2) A health maintenance organization or managed care organization that participates in the Maryland patient centered medical home program under Title 19, Subtitle 1A of the Health – General Article or that is authorized by the Commission to implement a single carrier patient centered medical home program shall comply with this article, where applicable, and Title 19, Subtitle 7 of the Health – General Article.

Article – Health – General

Subtitle 1A. Patient Centered Medical Home Program.

19–1A–01.

(A) In this subtitle the following words have the meaning indicated.

(B) “Carrier” has the meaning stated in § 15–1801 of the Insurance Article.

(C) “Federally qualified health center” has the meaning stated in 42 U.S.C. § 254b.

(D) “Health benefits benefit plan” has the meaning stated in § 15–1801 of the Insurance Article.

(E) “Managed care organization” has the meaning stated in § 15–101 of this article.
“PATIENT CENTERED MEDICAL HOME” MEANS A PRIMARY CARE PRACTICE ORGANIZED TO PROVIDE A FIRST, COORDINATED, ONGOING, AND COMPREHENSIVE SOURCE OF CARE TO PATIENTS TO:

1. FOSTER A PARTNERSHIP WITH A QUALIFYING INDIVIDUAL;

2. COORDINATE HEALTH CARE SERVICES FOR A QUALIFYING INDIVIDUAL; AND

3. EXCHANGE MEDICAL INFORMATION WITH CARRIERS, OTHER PROVIDERS, AND QUALIFYING INDIVIDUALS.

“PRIMARY CARE PRACTICE” MEANS A PRACTICE OR FEDERALLY QUALIFIED HEALTH CENTER ORGANIZED BY OR INCLUDING PEDIATRICIANS, GENERAL INTERNAL MEDICINE PHYSICIANS, FAMILY MEDICINE PHYSICIANS, OR NURSE PRACTITIONERS.

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

2. “PROMINENT CARRIER” DOES NOT INCLUDE A GROUP MODEL HEALTH MAINTENANCE ORGANIZATION AS DEFINED IN § 19–713.6 OF THIS TITLE.

“QUALIFYING INDIVIDUAL” MEANS A:

1. A PERSON COVERED UNDER A HEALTH BENEFIT PLAN ISSUED BY A CARRIER; OR

2. A MEMBER OF A MANAGED CARE ORGANIZATION.

“SINGLE PAYER CARRIER PATIENT CENTERED MEDICAL HOME PROGRAM” MEANS A PROGRAM IMPLEMENTED BY A SINGLE CARRIER OR MEDICAID MANAGED CARE ORGANIZATION TO PROMOTE THE DEVELOPMENT OF A PATIENT CENTERED MEDICAL HOME HAS THE MEANING STATED IN § 15–1801 OF THE INSURANCE ARTICLE.

19–1A–02.
(A) Subject to § 19–1A–03(a) of this subtitle, the Commission shall establish the Maryland Patient Centered Medical Home Program to promote development of patient centered medical homes.

(B) (1) A carrier may elect to participate in the Maryland Patient Centered Medical Home Program.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, a prominent carrier other than a Medicaid managed care organization shall participate in the Maryland Patient Centered Medical Home Program.

(3) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, subject to the limitations of the State budget, the Department may:

   (I) May require that certain Medicaid managed care organizations participate in the Maryland Patient Centered Medical Home Program as allowed by law and subject to the limitations of the State budget; and

   (II) Notwithstanding any other provision of this article, may mandate the participation in the Maryland Patient Centered Medical Home Program of Maryland Medical Assistance Program enrollees.

(4) The Department shall ensure that participation in the Maryland Patient Centered Medical Home Program of managed care organizations and Maryland Medical Assistance Program enrollees shall support the quality and efficiency standards established in the HealthChoice Program.

(C) The Commission may also authorize a carrier to implement a single carrier patient centered medical home program that:

   (1) Pays and shares medical information with a patient centered medical home in accordance with § 15–1802 of the Insurance Article; and

   (2) Conforms with the principles of the patient centered medical home as adopted by a national coalition of physicians, carriers, purchasers, and consumers.
(D) Nothing in this section shall be construed to limit or prohibit a carrier from providing a bonus, fee based incentives, bundled incentives, or other incentive–based compensation:

(1) As authorized by the Commission for a patient centered medical home; or

(2) As allowed under § 15–113 of the Insurance Article.

19–1A–03.

(A) Notwithstanding any State or federal law that prohibits the collaboration of carriers or providers on payment, the Commission may establish the Maryland Patient Centered Medical Home Program, if the Commission concludes that the Program:

(1) Is likely to result in the delivery of more efficient and effective health care services; and

(2) Is in the public interest.

(B) In establishing the Maryland Patient Centered Medical Home Program, the Commission, in consultation with the Department, carriers, managed care organizations, and primary care practices, shall adopt:

(1) Standards qualifying a primary care practice as a participant in the Maryland Patient Centered Medical Home Program;

(2) The payment method to be general standards that may be used by a carrier or a managed care organization to pay a participating patient centered medical home for services associated with the coordination of covered health care services;

(3) Standards to be used to determine general standards to govern the bonus, fee based incentive, bundled fees, or other incentives a carrier or a managed care organization may pay to a participating patient centered medical home based on the savings from reduced health care expenditures that are associated with improved health outcomes and care coordination by qualifying individuals attributed to the participating patient centered medical home;
(4) The method for attributing a patient to a participating patient centered medical home;

(5) The uniform set of health care quality and performance measures that the participating patient centered medical home is to report to the Commission and to carriers or managed care organizations;

(6) The enrollment form notifying carriers or managed care organizations a qualifying individual has voluntarily agreed to participate in the Maryland Patient Centered Medical Home Program; and

(7) The process for primary care practices to commence and terminate participation in the Maryland Patient Centered Medical Home Program.

(C) In developing the standards required in subsection (B)(1) of this section, the Commission shall consider:

(1) The use of health information technology, including electronic medical records;

(2) The relationship between the primary care practice, specialists, other providers, and hospitals;

(3) The access standards for qualifying individuals to receive primary medical care in a timely manner; and

(4) The ability of the primary care practice to foster a partnership with qualifying individuals; and

(5) The use of comprehensive medication management to improve clinical outcomes.

(D) In developing the payment method required in subsection (B)(2) of this section, the Commission, in consultation with carriers and primary care practices, the general standards required in subsection (B)(2) and (3) of this section shall:

(1) Define the payment method used by a carrier to pay a participating patient centered medical home for services
ASSOCIATED WITH THE COORDINATION OF COVERED HEALTH CARE SERVICES; AND

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

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

(2) THE ENROLLMENT FORM SHALL AUTHORIZE THE CARRIER, THE PARTICIPATING PATIENT CENTERED MEDICAL HOME TREATING THE QUALIFYING INDIVIDUAL, AND OTHER PROVIDERS TREATING THE QUALIFYING INDIVIDUAL TO SHARE MEDICAL INFORMATION ABOUT THE QUALIFYING INDIVIDUAL WITH EACH OTHER.

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

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

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

(F) (1) THE COMMISSION SHALL CONDUCT CULTURALLY AND LINGUISTICALLY APPROPRIATE PROVIDER AND PATIENT EDUCATIONAL ACTIVITIES TO INCREASE AWARENESS OF THE POTENTIAL BENEFITS FOR PROVIDERS AND PATIENTS OF PARTICIPATING IN THE MARYLAND PATIENT CENTERED MEDICAL HOME PROGRAM.

(2) THE COMMISSION SHALL ENSURE THAT A PARTICIPATING PATIENT CENTERED MEDICAL HOME PROVIDES, ON AN ONGOING BASIS, CULTURALLY AND LINGUISTICALLY APPROPRIATE CARE FOR THE PURPOSE OF REDUCING HEALTH DISPARITIES.
19–1A–04.

(€) **THE COMMISSION MAY ADOPT REGULATIONS TO ESTABLISH TO:**

(1) **ESTABLISH THE MARYLAND PATIENT CENTERED MEDICAL HOME PROGRAM; AND**

(2) **AUTHORIZE A CARRIER TO IMPLEMENT A SINGLE CARRIER PATIENT CENTERED MEDICAL HOME PROGRAM.**

19–1A–04, 19–1A–05.

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

(2) **THE COMMISSION MAY INCLUDE ANY SINGLE CARRIER PATIENT CENTERED MEDICAL HOME PROGRAM MAY REQUEST TO BE INCLUDED IN THE EVALUATION DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION.**

(3) **IN CONDUCTING THE EVALUATION, THE COMMISSION SHALL CONSIDER, SUBJECT TO BUDGET LIMITATIONS, IMPROVEMENTS IN HEALTH CARE DELIVERY, THE SATISFACTION OF QUALIFYING INDIVIDUALS AND PRIMARY CARE PRACTICES, AND THE IMPACT ON HEALTH CARE EXPENDITURES IMPROVED CLINICAL CARE PROCESSES, INCREASED ACCESS TO CARE COORDINATION, ADEQUACY OF ENHANCED PAYMENTS TO COVER EXPANDED SERVICES, INCREASED PATIENT SATISFACTION WITH CARE, INCREASED CLINICIAN AND STAFF WORK SATISFACTION, LOWER TOTAL COSTS OF CARE, AND REDUCTIONS IN HEALTH DISPARITIES RESULTING FROM THE MARYLAND PATIENT CENTERED MEDICAL HOME PROGRAM AND ANY AUTHORIZED SINGLE CARRIER PATIENT CENTERED MEDICAL HOME PROGRAM INCLUDED IN THE STUDY.**

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

19–706.
THE PROVISIONS OF TITLE 15, SUBTITLE 18 OF THE INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Health Care Commission shall consult with the Maryland Community Health Resources Commission regarding the inclusion of federally qualified health centers and other primary care practices in the Maryland Patient Centered Medical Home Program established by Section 1 of this Act.

(b) The Maryland Community Health Resources Commission, in consultation with the Maryland Health Care Commission, may assist federally qualified health centers and other primary care practices to become patient centered medical homes as defined in § 19–1A–01 of the Health – General Article, as enacted by Section 1 of this Act, and identify ways that Maryland Community Health Resources Commission resources can leverage additional assets to support the participation of federally qualified health centers and other primary care practices in a patient centered medical home program.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2010. It shall remain effective for a period of 5 years and 6 months and, at the end of December 31, 2015, 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, April 13, 2010.