

# SENATE BILL 56

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By: **Chair, Finance Committee (By Request – Departmental – Health and Mental Hygiene)**

Introduced and read first time: January 18, 2011

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Evaluation of Quality of Care and Performance of Health**  
3 **Benefit Plans**

4 FOR the purpose of altering certain requirements for and purposes of a certain system  
5 that the Maryland Health Care Commission is required to establish and  
6 implement; requiring the system to comparatively evaluate the quality of care  
7 and performance of certain health benefit plans; establishing that a purpose of  
8 the system is to assist certain health insurance carriers to improve care;  
9 requiring the system to solicit performance information from enrollees of certain  
10 health benefit plans; altering the entities the recommendations of which the  
11 Commission must consider before implementing the system; altering the  
12 contents of a certain annual evaluation summary; defining certain terms;  
13 making certain conforming changes; and generally relating to evaluations of  
14 quality of care and performance of health benefit plans.

15 BY repealing and reenacting, with amendments,  
16 Article – Health – General  
17 Section 19–132 and 19–134(c)  
18 Annotated Code of Maryland  
19 (2009 Replacement Volume and 2010 Supplement)

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

22 **Article – Health – General**

23 19–132.

24 (a) In this Part III of this subtitle the following words have the meanings  
25 indicated.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) "Ambulatory surgical facility" has the meaning stated in § 19-3B-01 of  
2 this title.

3 (c) "CARRIER" MEANS:

4 (1) A HEALTH INSURER OR NONPROFIT HEALTH SERVICE PLAN  
5 THAT HOLDS A CERTIFICATE OF AUTHORITY AND PROVIDES HEALTH  
6 INSURANCE POLICIES OR CONTRACTS IN THE STATE IN ACCORDANCE WITH THIS  
7 ARTICLE OR THE INSURANCE ARTICLE; OR

8 (2) A HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A  
9 CERTIFICATE OF AUTHORITY IN THE STATE.

10 [(c)] (D) "Comprehensive standard health benefit plan" means the  
11 comprehensive standard health benefit plan adopted in accordance with § 15-1207 of  
12 the Insurance Article.

13 (E) (1) "HEALTH BENEFIT PLAN" MEANS A HOSPITAL OR MEDICAL  
14 POLICY, CONTRACT, OR CERTIFICATE ISSUED BY A CARRIER.

15 (2) "HEALTH BENEFIT PLAN" DOES NOT INCLUDE:

16 (I) COVERAGE FOR ACCIDENT OR DISABILITY INCOME  
17 INSURANCE;

18 (II) COVERAGE ISSUED AS A SUPPLEMENT TO LIABILITY  
19 INSURANCE;

20 (III) LIABILITY INSURANCE, INCLUDING GENERAL LIABILITY  
21 INSURANCE AND AUTOMOBILE LIABILITY INSURANCE;

22 (IV) WORKERS' COMPENSATION OR SIMILAR INSURANCE;

23 (V) AUTOMOBILE OR PROPERTY MEDICAL PAYMENT  
24 INSURANCE;

25 (VI) CREDIT-ONLY INSURANCE;

26 (VII) COVERAGE FOR ON-SITE MEDICAL CLINICS;

27 (VIII) DENTAL OR VISION INSURANCE;

1                   **(IX) LONG-TERM CARE INSURANCE OR BENEFITS FOR**  
2 **NURSING HOME CARE, HOME HEALTH CARE, COMMUNITY-BASED CARE, OR ANY**  
3 **COMBINATION OF THESE;**

4                   **(X) COVERAGE ONLY FOR A SPECIFIED DISEASE OR**  
5 **ILLNESS;**

6                   **(XI) HOSPITAL INDEMNITY OR OTHER FIXED INDEMNITY**  
7 **INSURANCE; OR**

8                   **(XII) THE FOLLOWING BENEFITS IF OFFERED AS A SEPARATE**  
9 **INSURANCE POLICY:**

10                   **1. MEDICARE SUPPLEMENTAL HEALTH INSURANCE,**  
11 **AS DEFINED IN § 1882(G)(1) OF THE SOCIAL SECURITY ACT;**

12                   **2. COVERAGE SUPPLEMENTAL TO THE COVERAGE**  
13 **PROVIDED UNDER CHAPTER 55 OF TITLE 10 OF THE UNITED STATES CODE; OR**

14                   **3. SIMILAR SUPPLEMENTAL COVERAGE PROVIDED**  
15 **TO COVERAGE UNDER AN EMPLOYER SPONSORED PLAN.**

16           **[(d)] (F)**     “Health care practitioner” means any individual who is licensed,  
17 certified, or otherwise authorized under the Health Occupations Article to provide  
18 health care services.

19           **[(e)] (G)**     (1)   “Health care provider” means:

20                   (i)   A person who is licensed, certified, or otherwise authorized  
21 under the Health Occupations Article to provide health care in the ordinary course of  
22 business or practice of a profession or in an approved education or training program;  
23 or

24                   (ii)   A facility where health care is provided to patients or  
25 recipients, including:

26                               1.   A facility, as defined in § 10-101(e) of this article;

27                               2.   A hospital, as defined in § 19-301 of this title;

28                               3.   A related institution, as defined in § 19-301 of this  
29 title;

30                               4.   A health maintenance organization, as defined in §  
31 19-701(g) of this title;



1 (1) A health insurer or nonprofit health service plan that holds a  
2 certificate of authority and provides health insurance policies or contracts in the State  
3 in accordance with this article or the Insurance Article;

4 (2) A health maintenance organization that holds a certificate of  
5 authority in the State; or

6 (3) For the purposes of this Part III of this subtitle only, a person that  
7 is registered as an administrator under Title 8, Subtitle 3 of the Insurance Article.

8 19–134.

9 (c) (1) The Commission shall:

10 (i) Establish and implement a system to comparatively  
11 evaluate the quality of care [outcomes] and performance [measurements] of [health  
12 maintenance organization] **HEALTH** benefit plans [and services] on an objective basis;  
13 and

14 (ii) Annually publish the summary findings of the evaluation.

15 (2) The purpose of [a comparable performance measurement] **THE**  
16 **EVALUATION** system established under this subsection is to assist [health  
17 maintenance organization] **CARRIERS** [benefit plans] to improve [the quality of] care  
18 [provided] by establishing a common set of **QUALITY AND** performance measurements  
19 and disseminating the findings [of the performance measurements] to [health  
20 maintenance organizations] **CARRIERS** and **OTHER** interested parties.

21 (3) The system, where appropriate, shall:

22 (i) Solicit performance information from enrollees of [health  
23 maintenance organizations] **HEALTH BENEFIT PLANS**; and

24 (ii) On or before October 1, 2007, to the extent feasible,  
25 incorporate racial and ethnic variations.

26 (4) (i) The Commission shall adopt regulations to establish the  
27 system of evaluation provided under this subsection.

28 (ii) Before adopting regulations to implement an evaluation  
29 system under this subsection, the Commission shall consider [any] recommendations  
30 of [the quality of care subcommittee of the Group Health Association of America and  
31 the National Committee for Quality Assurance] **NATIONALLY RECOGNIZED**  
32 **ORGANIZATIONS THAT ARE INVOLVED IN QUALITY OF CARE AND PERFORMANCE**  
33 **MEASUREMENT**.

1                   (5)    The Commission may contract with a private, nonprofit entity to  
2 implement the system required under this subsection provided that the entity is not  
3 an insurer.

4                   (6)    The annual evaluation summary required under paragraph (1) of  
5 this subsection shall[:

6                           (i)    Include a summary of the Drug Formulary Accreditation  
7 Standards of the National Committee for Quality Assurance (NCQA);

8                           (ii)   Indicate whether the formulary development process of each  
9 health maintenance organization evaluated complies with the National Committee for  
10 Quality Assurance (NCQA) accreditation standards; and

11                           (iii) Include] **INCLUDE** to the extent feasible information on  
12 racial and ethnic variations.

13                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 July 1, 2011.