
By: Delegates Bonsack and Fry

Introduced and read first time: January 29, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Education Program Fund - Primary Care Practitioners**

3 FOR the purpose of establishing a Medical Education Program Fund to assist in paying
4 the cost of certain medical education programs to train certain health practitioners
5 for primary care medicine practices and careers; requiring the StateInsurance
6 Commissioner to collect certain fees from health insurers, nonprofit health service
7 plans, and health maintenance organizations according to a certain percentage of
8 premiums collected; requiring the Commissioner to deposit the fees that are
9 collected in the Fund; expanding the purpose of the Maryland Health Care Access
10 and Cost Commission to include encouraging the medical education of health care
11 practitioners and the development of primary care medicine; requiring the
12 Commission to assess a certain fee on health insurers, nonprofit health service
13 plans, and health maintenance organizations under certain circumstances; providing
14 for the use of the Fund as a special continuing, nonlapsing fund; requiring the
15 Commission to adopt certain regulations; requiring the Commission to monitor the
16 procedures and status of the Fund; requiring the Commission to report to certain
17 Committees of the Maryland General Assembly at certain times; defining certain
18 terms; and generally relating to the establishment of a Medical Education Program
19 Fund through the assessment of fees on certain health insurers, nonprofit health
20 service plans, and health maintenance organizations by the Maryland Health Care
21 Access and Cost Commission.

22 BY adding to

23 Article 48A - Insurance Code
24 Section 490FF
25 Annotated Code of Maryland
26 (1994 Replacement Volume and 1995 Supplement)

27 BY repealing and reenacting, with amendments,

28 Article - Health - General
29 Section 19-1502
30 Annotated Code of Maryland
31 (1990 Replacement Volume and 1995 Supplement)

32 BY adding to

2

1 Article - Health - General
2 Section 19-1517
3 Annotated Code of Maryland
4 (1990 Replacement Volume and 1995 Supplement)

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

7 **Article 48A - Insurance Code**

8 490FF.

9 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
10 INDICATED.

11 (2) "COMMISSION" MEANS THE MARYLAND HEALTH CARE ACCESS AND
12 COST COMMISSION.

13 (3) "FUND" MEANS THE MEDICAL EDUCATION PROGRAM FUND.

14 (4) "MEDICAL EDUCATION PAYOR" MEANS:

15 (I) A HEALTH INSURER OR NONPROFIT HEALTH SERVICE PLAN
16 THAT HOLDS A CERTIFICATE OF AUTHORITY AND PROVIDES HEALTH INSURANCE
17 POLICIES OR CONTRACTS IN THE STATE UNDER THIS ARTICLE; OR

18 (II) A HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A
19 CERTIFICATE OF AUTHORITY IN THE STATE.

20 (B) THE COMMISSIONER SHALL COLLECT A MEDICAL EDUCATION FEE FOR
21 THE UPCOMING FISCAL YEAR FROM EACH MEDICAL EDUCATION PAYOR AS
22 ASSESSED UNDER § 19-1517 OF THE HEALTH - GENERAL ARTICLE.

23 (C) (1) EACH MEDICAL EDUCATION PAYOR SHALL REPORT THE TOTAL
24 PREMIUMS COLLECTED BY THAT PAYOR FOR THE PREVIOUS FISCAL YEAR TO THE
25 COMMISSIONER.

26 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE
27 COMMISSIONER SHALL REPORT ONLY THE TOTAL PREMIUMS COLLECTED BY A
28 MEDICAL EDUCATION PAYOR EACH YEAR TO THE MARYLAND HEALTH CARE
29 ACCESS AND COST COMMISSION.

30 (3) ANY INFORMATION REPORTED BY THE COMMISSIONER TO THE
31 COMMISSION UNDER THIS SECTION SHALL BE USED ONLY FOR THE PURPOSE OF
32 ESTABLISHING AN ASSESSMENT FOR THE FUND UNDER § 19-1517 OF THE HEALTH -
33 GENERAL ARTICLE.

34 (D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, WITHIN 30 DAYS
35 OF RECEIPT OF AN ASSESSMENT MADE UNDER § 19-1517 OF THE HEALTH - GENERAL
36 ARTICLE, EACH MEDICAL EDUCATION PAYOR SHALL MAKE PAYMENT OF THE
37 MEDICAL EDUCATION FEE TO THE COMMISSIONER.

3

1 (2) IN COOPERATION WITH THE COMMISSION, THE COMMISSIONER MAY
2 MAKE PROVISIONS FOR PARTIAL PAYMENTS.

3 (E) THE COMMISSIONER SHALL DEPOSIT THE TOTAL AMOUNT OF THE FEES
4 COLLECTED UNDER THIS SECTION IN THE FUND ESTABLISHED UNDER § 19-1517 OF
5 THE HEALTH - GENERAL ARTICLE.

6 **Article - Health - General**

7 19-1502.

8 (a) There is a Maryland Health Care Access and Cost Commission.

9 (b) The Commission is an independent Commission that functions in the
10 Department.

11 (c) The purpose of the Commission is to:

12 (1) Develop health care cost containment strategies to help provide access
13 to appropriate quality health care services for all Marylanders, after consulting with the
14 Health Resources Planning Commission and the Health Services Cost Review
15 Commission;

16 (2) Facilitate the public disclosure of medical claims data for the
17 development of public policy;

18 (3) Establish and develop a medical care data base on health care services
19 rendered by health care practitioners;

20 (4) Encourage the development of clinical resource management systems to
21 permit the comparison of costs between various treatment settings and the availability of
22 information to consumers, providers, and purchasers of health care services;

23 (5) Develop a uniform set of effective benefits to be included in the
24 comprehensive standard health benefit plan to apply under Subtitle 55 of Article 48A of
25 the Code;

26 (6) Analyze the medical care data base and provide, in aggregate form, an
27 annual report on the variations in costs associated with health care practitioners;

28 (7) Ensure utilization of the medical care data base as a primary means to
29 compile data and information and annually report on trends and variances regarding fees
30 for service, cost of care, regional and national comparisons, and indications of
31 malpractice situations;

32 (8) Develop a payment system for health care services;

33 (9) Establish standards for the operation and licensing of medical care
34 electronic claims clearinghouses in Maryland;

35 (10) Foster the development of practice parameters; [and]

36 (11) Reduce the costs of claims submission and the administration of claims
37 for health care practitioners and payors; AND

4

1 (12) ENCOURAGE THE MEDICAL EDUCATION OF HEALTH CARE
2 PRACTITIONERS AND THE DEVELOPMENT OF PRIMARY CARE MEDICAL PRACTICE
3 THROUGHOUT THE STATE.

4 19-1517.

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
6 INDICATED.

7 (2) "FUND" MEANS THE MEDICAL EDUCATION PROGRAM FUND.

8 (3) "MEDICAL EDUCATION PAYOR" MEANS:

9 (I) A HEALTH INSURER OR NONPROFIT HEALTH SERVICE PLAN
10 THAT HOLDS A CERTIFICATE OF AUTHORITY AND PROVIDES HEALTH INSURANCE
11 POLICIES OR CONTRACTS IN THE STATE IN ACCORDANCE WITH THIS ARTICLE OR
12 ARTICLE 48A OF THE CODE; OR

13 (II) A HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A
14 CERTIFICATE OF AUTHORITY IN THE STATE.

15 (4) "TRAINING PRACTITIONER" MEANS:

16 (I) A MEDICAL STUDENT OR OTHER INDIVIDUAL AUTHORIZED TO
17 PRACTICE MEDICINE IN THIS STATE BY THE STATE BOARD OF PHYSICIAN QUALITY
18 ASSURANCE UNDER TITLE 14 OF THE HEALTH OCCUPATIONS ARTICLE, WHO IS IN A
19 POSTGRADUATE MEDICAL TRAINING PROGRAM THAT RECEIVES FUNDS FROM THE
20 COMMISSION UNDER THIS SECTION;

21 (II) A CERTIFIED NURSE PRACTITIONER OR AN INDIVIDUAL IN A
22 NURSE PRACTITIONER PROGRAM APPROVED BY THE STATE BOARD OF NURSING
23 UNDER TITLE 8 OF THE HEALTH OCCUPATIONS ARTICLE, WHO IS IN A PRIMARY
24 CARE TRAINING PROGRAM THAT RECEIVES FUNDS FROM THE COMMISSION UNDER
25 THIS SECTION; OR

26 (III) A CERTIFIED PHYSICIAN ASSISTANT OR AN INDIVIDUAL
27 AUTHORIZED TO PRACTICE AS A PHYSICIAN ASSISTANT BY THE STATE BOARD OF
28 PHYSICIAN QUALITY ASSURANCE UNDER TITLE 15 OF THE HEALTH OCCUPATIONS
29 ARTICLE, WHO IS IN A PRIMARY CARE TRAINING PROGRAM THAT RECEIVES FUNDS
30 FROM THE COMMISSION UNDER THIS SECTION.

31 (B) (1) THE COMMISSION SHALL ASSESS A MEDICAL EDUCATION FEE ON
32 EACH MEDICAL EDUCATION PAYOR IN THE STATE.

33 (2) THE COMMISSION MAY ADOPT REGULATIONS THAT WAIVE THE FEE
34 ASSESSED UNDER THIS SECTION FOR A SPECIFIC CLASS OF MEDICAL EDUCATION
35 PAYORS.

36 (3) THE COMMISSION SHALL PAY ALL FUNDS COLLECTED FROM FEES
37 ASSESSED IN ACCORDANCE WITH THIS SECTION INTO THE FUND.

38 (4) THE FEES ASSESSED IN ACCORDANCE WITH THIS SECTION SHALL BE
39 USED ONLY FOR THE PURPOSES AUTHORIZED IN THIS SECTION.

1 (C) THE FEES ASSESSED IN ACCORDANCE WITH THIS SECTION SHALL BE
2 TRANSFERRED TO THE FUND ON A YEARLY BASIS BY THE STATE INSURANCE
3 COMMISSIONER IN ACCORDANCE WITH ARTICLE 48A, § 490FF OF THE CODE.

4 (D) (1) THE FEES ASSESSED ON THE MEDICAL EDUCATION PAYORS UNDER
5 THIS SECTION AND IN ACCORDANCE WITH ARTICLE 48A, § 490FF OF THE CODE SHALL
6 BE BASED ON A PERCENTAGE OF EACH MEDICAL EDUCATION PAYOR'S TOTAL
7 PREMIUMS COLLECTED EACH YEAR, IN AN AMOUNT SUFFICIENT TO FUND THE COST
8 OF MEDICAL EDUCATION PROGRAMS IDENTIFIED UNDER SUBSECTION (F) OF THIS
9 SECTION BY THE COMMISSION BY REGULATION.

10 (2) ON OR BEFORE JUNE 1 OF EACH YEAR, THE COMMISSION SHALL
11 NOTIFY THE STATE INSURANCE COMMISSIONER BY MEMORANDUM OF THE TOTAL
12 ASSESSMENT ON MEDICAL EDUCATION PAYORS FOR THAT YEAR.

13 (E) (1) THERE IS A MEDICAL EDUCATION PROGRAM FUND.

14 (2) THE FUND IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS
15 NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

16 (3) THE TREASURER SHALL SEPARATELY HOLD, AND THE
17 COMPTROLLER SHALL ACCOUNT FOR, THE FUND.

18 (4) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME
19 MANNER AS OTHER STATE FUNDS.

20 (5) ANY INVESTMENT EARNINGS SHALL BE RETAINED TO THE CREDIT
21 OF THE FUND.

22 (6) THE FUND SHALL BE SUBJECT TO AN AUDIT BY THE OFFICE OF
23 LEGISLATIVE AUDITS AS PROVIDED IN § 2-1215 OF THE STATE GOVERNMENT
24 ARTICLE.

25 (7) THIS SECTION MAY NOT BE CONSTRUED TO PROHIBIT THE FUND
26 FROM RECEIVING FUNDS FROM ANY OTHER SOURCE.

27 (8) THE FUND SHALL BE USED ONLY TO PROVIDE FUNDING FOR THE
28 PURPOSES AUTHORIZED UNDER THIS SECTION.

29 (F) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION
30 SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBSECTION.

31 (2) (I) REGULATIONS ADOPTED UNDER THIS SECTION SHALL
32 IDENTIFY MEDICAL EDUCATION PROGRAMS THAT MAY RECEIVE PAYMENTS FROM
33 THE FUND FOR PROVIDING TRAINING FOR TRAINING PRACTITIONERS.

34 (II) THE FUND SHALL BE USED TO FORTIFY OR EXPAND EXISTING
35 MEDICAL EDUCATION PROGRAMS AND TO ASSIST IN CREATING NEW MEDICAL
36 RESIDENCY OR OTHER QUALIFIED EDUCATIONAL PROGRAMS THAT:

37 1. ENCOURAGE TRAINING PRACTITIONERS TO ENTER
38 FAMILY PRACTICE AND OTHER PRIMARY CARE PRACTICES; AND

6

1 2. ASSIST IN DEVELOPING AN APPROPRIATE BALANCE IN
2 THE NUMBER OF TRAINING PRACTITIONERS THAT ENTER PRIMARY CARE,
3 GENERAL, AND SPECIALTY PRACTICES.

4 (III) THE COMMISSION SHALL DEVELOP A MONITORING SYSTEM TO
5 ENSURE THAT:

6 1. THE TRAINING PRACTITIONERS PARTICIPATING IN THESE
7 PROGRAMS ARE RECEIVING TRAINING IN PRIMARY CARE PRACTICE; AND

8 2. AT LEAST 85% OF THE TOTAL BILLINGS OR CHARGES OF
9 THE TRAINING PRACTITIONERS, OR BILLINGS MADE BY A SUPERVISOR FOR THE
10 WORK OF A TRAINING PRACTITIONER, IS ATTRIBUTABLE TO PRIMARY CARE
11 PRACTICE AND ACTIVITIES.

12 (3) THE COMMISSION SHALL DETERMINE THE PROPER USE OF THE
13 FUND AND THE RATE OR PERCENTAGE THAT MAY BE USED FOR INDIVIDUAL
14 MEDICAL EDUCATION PROGRAMS OR FOR TRAINING INDIVIDUALS BASED ON
15 CRITERIA ADOPTED BY REGULATION.

16 (4) THE COMMISSION MAY APPOINT A COMMITTEE TO ADMINISTER THE
17 FUND AND TO MONITOR COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION.

18 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Health Care
19 Access and Cost Commission shall report at least once each year to the Legislative Policy
20 Committee on the status of the Medical Education Program Fund and the expenditure of
21 the Fund for the previous or current year and the proposed expenditure of the Fund for
22 the approaching year. The Commission shall also report at least once each year to the
23 Senate Finance Committee and the House Environmental Matters Committee of the
24 Maryland General Assembly on the status of the Fund and the procedures used by the
25 Commission to comply with the requirements of this Act.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 1996.