
By: Delegate Hammen

Introduced and read first time: January 31, 1996

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Health Maintenance Organizations - External Review of Quality**

3 FOR the purpose of authorizing the Secretary of Health and Mental Hygiene to waive the
4 requirement for an external review of the quality of the health services of a health
5 maintenance organization by the Department of Health and Mental Hygiene if the
6 health maintenance organization has received a certain accreditation from a certain
7 external review organization; requiring the health maintenance organization to
8 provide certain information and submit certain reports; specifying the
9 confidentiality of certain documents and information; authorizing the Secretary to
10 conduct certain inspections; altering a provision of law to establish that the
11 Secretary is the final authority for deciding the type of external review to be
12 employed of a health maintenance organization; and generally relating to
13 authorizing the Secretary of Health and Mental Hygiene to waive the requirement
14 of an external review of the quality of health services of a health maintenance
15 organization under certain circumstances.

16 BY repealing and reenacting, with amendments,
17 Article - Health - General
18 Section 19-705.1(f)
19 Annotated Code of Maryland
20 (1990 Replacement Volume and 1995 Supplement)

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

23 **Article - Health - General**

24 19-705.1.

25 (f) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS
26 SUBSECTION, THE Department shall conduct an external review of the quality of the
27 health services of the health maintenance organization in a manner that the Department
28 considers to be appropriate.

29 (2) The external review shall be conducted by:

30 (i) A panel of physicians and other health professionals that consists
31 of persons who:

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- 1 1. Have been approved by the Department;
- 2 2. Have substantial experience in the delivery of health care in
- 3 a health maintenance organization setting, but who are not members of the health
- 4 maintenance organization staff or performing professional services for the health
- 5 maintenance organization; and
- 6 3. Reside outside the area serviced by the health maintenance
- 7 organization;

- 8 (ii) The Department; or
- 9 (iii) A federally-approved professional standards review organization.

10 (3) The final decision on the type of external review that is to be employed

11 rests solely with the [Department] SECRETARY.

12 (4) The external review shall consist of a review and evaluation of:

- 13 (i) An internal peer review system and reports;
- 14 (ii) The program plan of the health maintenance organization to
- 15 determine if it is adequate and being followed;
- 16 (iii) The professional standards and practices of the health
- 17 maintenance organization in every area of services provided;
- 18 (iv) The grievances relating specifically to the delivery of medical care,
- 19 including their final disposition;
- 20 (v) The physical facilities and equipment; and
- 21 (vi) A statistically representative sample of member records.

22 (5) (I) THE SECRETARY MAY WAIVE THE APPLICATION OF THIS

23 SUBSECTION TO A HEALTH MAINTENANCE ORGANIZATION THAT HAS BEEN

24 ACCREDITED BY A NATIONALLY RECOGNIZED ACCREDITING ENTITY, IF THE

25 SECRETARY DETERMINES THAT THE STANDARDS OF THE EXTERNAL REVIEW

26 ORGANIZATION ARE SUBSTANTIALLY EQUIVALENT TO THE STATE'S

27 REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS UNDER THIS

28 SUBTITLE.

29 (II) THE HEALTH MAINTENANCE ORGANIZATION SHALL:

30 1. SUBMIT COPIES OF ITS APPLICATION FOR

31 ACCREDITATION, ITS INITIAL ACCREDITATION CERTIFICATION, AND SUBSEQUENT

32 APPLICATIONS AND RECERTIFICATIONS; AND

33 2. MAKE AVAILABLE FOR INSPECTION BY THE SECRETARY

34 A FINAL REPORT ISSUED BY THE NATIONALLY RECOGNIZED ACCREDITING ENTITY

35 THAT THE SECRETARY HAS DETERMINED MEETS THE STATE'S STANDARDS FOR

36 HEALTH MAINTENANCE ORGANIZATIONS UNDER THIS SUBTITLE.

1 (III) IN ADDITION TO INFORMATION REQUIRED UNDER
2 SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE HEALTH MAINTENANCE
3 ORGANIZATION SHALL SUBMIT TO THE DEPARTMENT AND MAKE AVAILABLE TO
4 THE PUBLIC A COPY OF ANY SUMMARY REPORTS MADE BY THE NATIONALLY
5 RECOGNIZED ACCREDITING ENTITY THAT HAS BEEN DETERMINED BY THE
6 SECRETARY TO MEET THE STATE'S STANDARDS FOR HEALTH MAINTENANCE
7 ORGANIZATIONS UNDER THIS SUBTITLE.

8 (IV) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
9 PARAGRAPH, ALL INFORMATION AND DOCUMENTS AND COPIES OBTAINED BY OR
10 DISCLOSED TO THE SECRETARY, OR ANY OTHER PERSON, IN THE COURSE OF AN
11 EXAMINATION OR INVESTIGATION MADE FOR PURPOSES OF SUBPARAGRAPH (I) OF
12 THIS PARAGRAPH ARE CONFIDENTIAL AND ARE NOT SUBJECT TO SUBPOENA AND
13 MAY NOT BE MADE PUBLICLY AVAILABLE BY THE SECRETARY OR ANY OTHER
14 PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE HEALTH MAINTENANCE
15 ORGANIZATION, UNLESS THE SECRETARY, AFTER GIVING NOTICE AND AN
16 OPPORTUNITY FOR A HEARING TO THE HEALTH MAINTENANCE ORGANIZATION,
17 DETERMINES THAT THE INTERESTS OF THE PUBLIC WOULD BE SERVED BY THE
18 DISCLOSURE OF THE INFORMATION OR DOCUMENTS IN THE MANNER THAT THE
19 SECRETARY DETERMINES IS APPROPRIATE.

20 (V) THE SECRETARY MAY INSPECT ANY FACILITY OF A HEALTH
21 MAINTENANCE ORGANIZATION FOR THE PURPOSE OF INVESTIGATING A
22 COMPLAINT OR TO FOLLOW UP ON A SERIOUS PROBLEM IDENTIFIED IN AN
23 ACCREDITATION REPORT.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 1996.