Unofficial Copy **1997 Regular Session**
SB0337/737147/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 337
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with "requiring" in line 14 down through "system;" in line 15.

AMENDMENT NO. 2

On page 5, in line 32, in each instance, before "PROVIDERS" insert "HEALTH CARE".

On page 6 in line 16 and on page 12 in line 26, in each instance, strike "65%" and substitute "A MAJORITY".

On page 6 in lines 17 and 18 and on page 12 in line 28, in each instance, strike "A HEALTH CARE PROVIDER" and substitute "HEALTH CARE PROVIDERS THAT OWN AND CONTROL THE COMMUNITY HEALTH NETWORK".

On page 6, in line 18, in each instance, before "PROVIDERS" insert "HEALTH CARE".

On page 12, in line 29, in each instance, before "PROVIDERS" insert "HEALTH CARE".

AMENDMENT NO. 3

On page 10, in line 22, after "ESTABLISH" insert "A"; and in line 23, strike "PROVIDER" and substitute "FACILITY".

On pages 10 and 11, strike in their entirety the lines beginning with line 34 on page 10 through line 8 on page 11, inclusive.

On page 11, in line 9, strike "(C)" and substitute "(B)"; strike in their entirety lines 20 through 27, inclusive, and substitute:

(Over)

"(A) (1) THE SECRETARY MAY ADOPT RULES, REGULATIONS, AND STANDARDS FOR THE QUALITY OF HEALTH CARE SERVICES PROVIDED BY A COMMUNITY HEALTH NETWORK THROUGH ITS BENEFIT PACKAGES.

(2) WITH THE ADVICE OF THE DEPARTMENT, THE COMMISSIONER SHALL ADOPT REASONABLE RULES AND REGULATIONS AS NECESSARY TO CARRY OUT OTHER PROVISIONS OF THIS SUBTITLE NOT RELATED TO THE QUALITY OF HEALTH CARE SERVICES PROVIDED BY A COMMUNITY HEALTH NETWORK.";

and in line 28, after "(B)" insert "IN ADDITION TO THE REGULATIONS ADOPTED UNDER SUBSECTION (A)(2) OF THIS SECTION,".

AMENDMENT NO. 4

On page 6, strike in their entirety lines 21 and 22, inclusive, and substitute:

"(I) THE SAME BENEFITS FOR HEALTH CARE SERVICES, INCLUDING ALL LEVELS OF BENEFITS AND REQUIRED OFFERINGS OF BENEFITS, AS REQUIRED UNDER:".

On page 12, strike in their entirety lines 31 and 32, inclusive, and substitute:

"(I) THE SAME BENEFITS FOR HEALTH CARE SERVICES, INCLUDING ALL LEVELS OF BENEFITS AND REQUIRED OFFERINGS OF BENEFITS, AS REQUIRED UNDER:".

AMENDMENT NO. 5

On page 13, in line 13, strike "AND"; in line 15, after "COMMISSION" insert:

"; AND

(III) THE REQUIREMENTS OF TITLE 7 OF THE INSURANCE ARTICLE";

and after line 21, insert:

"(3) A COMMUNITY HEALTH NETWORK LICENSED UNDER THIS SUBTITLE IS SUBJECT TO:

(I) §19-706 OF THIS TITLE, EXCLUDING ANY REFERENCE IN THAT SECTION TO TITLE 14, SUBTITLE 1 OF THE INSURANCE ARTICLE; AND

(II) §§ 19-710(J) THROUGH (L) AND 19-713.1 OF THIS TITLE.".

AMENDMENT NO. 6

On page 15, in line 5, after "INFORMATION" insert "IN THE FORM"; in line 14, strike "AND"; after line 14, insert:

"(4) PARTICIPATE, AS APPROPRIATE, IN THE PAYMENT SYSTEM ESTABLISHED UNDER § 19-1509 OF THIS TITLE AND THE USER FEE ASSESSMENT SYSTEM UNDER § 19-1515 OF THIS TITLE;

(5) FOR A COMMUNITY HEALTH NETWORK WITH A PARTICIPATING HOSPITAL OR LONG-TERM CARE FACILITY, COMPLY WITH THE DATA REQUIREMENTS OF THE MARYLAND HEALTH RESOURCES PLANNING COMMISSION; AND";

and in line 15, strike "(4)" and substitute "(6)".

AMENDMENT NO. 7

On page 22, in line 14, after "(A)" insert "AS TO ANY MATTER THAT IS WITHIN THE JURISDICTION OF THE SECRETARY OR THE COMMISSIONER UNDER THIS SUBTITLE,"; in lines 14, 19, and 21, in each instance, strike "AND" and substitute "OR"; and in lines 19 and 21, in each instance, after "COMMISSIONER" insert ", AS APPLICABLE,".

AMENDMENT NO. 8

On page 22, after line 30, insert:

"(B) THE FORM AND CONTENT OF EACH CONTRACT FILED UNDER

SUBSECTION (A)(2) OF THIS SECTION, INCLUDING EVIDENCE OF COVERAGE OR CERTIFICATE BETWEEN A COMMUNITY HEALTH NETWORK AND ITS ENROLLEES OR GROUPS OF ENROLLEES, SHALL CONTAIN THE SAME PROVISIONS AND OFFERS OF BENEFITS AS REQUIRED OF HEALTH MAINTENANCE ORGANIZATIONS UNDER SUBTITLE 7 OF THIS TITLE.";

and in lines 31 and 34, strike "(B)" and "(C)", respectively, and substitute "(C)" and "(D)", respectively.

On page 23, in line 3, strike "(D)" and substitute "(E)".

AMENDMENT NO. 9

On page 23, after line 5, insert:

"19-2018.1.

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

(2) "ADMINISTRATIVE SERVICE PROVIDER CONTRACT" MEANS A CONTRACT OR CAPITATION AGREEMENT BETWEEN A COMMUNITY HEALTH NETWORK AND A CONTRACTING PROVIDER WHICH INCLUDES REQUIREMENTS THAT:

(I) THE CONTRACTING PROVIDER ACCEPT PAYMENTS FROM A COMMUNITY HEALTH NETWORK FOR HEALTH CARE SERVICES TO BE PROVIDED TO ENROLLEES OF THE COMMUNITY HEALTH NETWORK THAT THE CONTRACTING PROVIDER ARRANGES TO BE PROVIDED BY EXTERNAL PROVIDERS; AND

(II) THE CONTRACTING PROVIDER ADMINISTER PAYMENTS PURSUANT TO THE CONTRACT WITHIN THE COMMUNITY HEALTH NETWORK FOR THE HEALTH CARE SERVICES TO THE EXTERNAL PROVIDERS.

(3) "CONTRACTING PROVIDER" MEANS A PHYSICIAN OR OTHER HEALTH

CARE PROVIDER WHO ENTERS INTO AN ADMINISTRATIVE SERVICE PROVIDER CONTRACT WITH A COMMUNITY HEALTH NETWORK.

(4) "EXTERNAL PROVIDER" MEANS A HEALTH CARE PROVIDER, INCLUDING A PHYSICIAN OR HOSPITAL, WHO IS NOT:

(I) A CONTRACTING PROVIDER; OR

(II) AN EMPLOYEE, SHAREHOLDER, OR PARTNER OF A CONTRACTING PROVIDER.

(B) A COMMUNITY HEALTH NETWORK MAY NOT ENTER INTO AN ADMINISTRATIVE SERVICE PROVIDER CONTRACT UNLESS:

(1) THE COMMUNITY HEALTH NETWORK FILES WITH THE INSURANCE COMMISSIONER A PLAN THAT SATISFIES THE REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION; AND

(2) THE INSURANCE COMMISSIONER DOES NOT DISAPPROVE THE FILING WITHIN 30 DAYS AFTER THE PLAN IS FILED.

(C) THE PLAN REQUIRED UNDER SUBSECTION (B) OF THIS SECTION SHALL:

(1) REQUIRE THE CONTRACTING PROVIDER TO PROVIDE THE COMMUNITY HEALTH NETWORK WITH REGULAR REPORTS, AT LEAST QUARTERLY, THAT IDENTIFY PAYMENTS MADE OR OWED TO EXTERNAL PROVIDERS IN SUFFICIENT DETAIL TO DETERMINE IF THE PAYMENTS ARE BEING MADE IN COMPLIANCE WITH LAW;

(2) REQUIRE THE CONTRACTING PROVIDER TO PROVIDE TO THE COMMUNITY HEALTH NETWORK A CURRENT ANNUAL FINANCIAL STATEMENT OF THE CONTRACTING PROVIDER EACH YEAR;

(3) REQUIRE THE CREATION BY THE CONTRACTING PROVIDER, OR ON

THE CONTRACTING PROVIDER'S BEHALF, OF A SEGREGATED FUND (WHICH MAY INCLUDE WITHHELD FUNDS, ESCROW ACCOUNTS, LETTERS OF CREDIT, OR SIMILAR ARRANGEMENTS), OR REQUIRE THE AVAILABILITY OF OTHER RESOURCES THAT ARE SUFFICIENT TO SATISFY THE CONTRACTING PROVIDER'S OBLIGATIONS TO EXTERNAL PROVIDERS FOR SERVICES RENDERED TO ENROLLEES OF THE COMMUNITY HEALTH NETWORK;

(4) REQUIRE AN EXPLANATION OF HOW THE FUND OR RESOURCES REQUIRED UNDER ITEM (3) OF THIS SUBSECTION CREATE FUNDS OR OTHER RESOURCES SUFFICIENT TO SATISFY THE CONTRACTING PROVIDER'S OBLIGATIONS TO EXTERNAL PROVIDERS FOR SERVICES RENDERED TO ENROLLEES OF THE COMMUNITY HEALTH NETWORK; AND

(5) PERMIT THE COMMUNITY HEALTH NETWORK, AT MUTUALLY AGREED UPON TIMES AND UPON REASONABLE PRIOR NOTICE, TO AUDIT AND INSPECT THE CONTRACTING PROVIDER'S BOOKS, RECORDS, AND OPERATIONS RELEVANT TO THE PROVIDER'S CONTRACT FOR THE PURPOSE OF DETERMINING THE CONTRACTING PROVIDER'S COMPLIANCE WITH THE PLAN.

(D) THE COMMUNITY HEALTH NETWORK AND THE CONTRACTING PROVIDER SHALL COMPLY WITH THE PLAN.

(E) (1) THE COMMUNITY HEALTH NETWORK SHALL MONITOR THE CONTRACTING PROVIDER TO ASSURE COMPLIANCE WITH THE PLAN, AND THE HEALTH MAINTENANCE ORGANIZATION SHALL NOTIFY THE CONTRACTING PROVIDER WHENEVER A FAILURE TO COMPLY WITH THE PLAN OCCURS.

(2) UPON THE FAILURE OF THE CONTRACTING PROVIDER TO COMPLY WITH THE PLAN FOLLOWING NOTICE OF NONCOMPLIANCE, OR UPON TERMINATION OF THE ADMINISTRATIVE SERVICE PROVIDER CONTRACT FOR ANY REASON, THE COMMUNITY HEALTH NETWORK SHALL ASSUME THE ADMINISTRATION OF ANY PAYMENTS DUE FROM THE CONTRACTING PROVIDER TO EXTERNAL PROVIDERS ON BEHALF OF THE CONTRACTING PROVIDER.

(F) THE PLAN AND ALL SUPPORTING DOCUMENTATION SUBMITTED IN

CONNECTION WITH THE PLAN SHALL BE TREATED AS CONFIDENTIAL AND PROPRIETARY, AND MAY NOT BE DISCLOSED EXCEPT AS OTHERWISE REQUIRED BY LAW.".

AMENDMENT NO. 10

On page 25, in line 32, strike "OR"; and in line 34, after "MANNER" insert:

"; OR

(6) VIOLATE THE PROVISIONS OF § 19-729 OF THIS TITLE".

On page 26, in line 10, strike "OR"; and after line 12, insert:

"(V) CEASE THE ENROLLMENT OF ANY ADDITIONAL ENROLLEES, EXCEPT NEWBORN CHILDREN AND OTHER NEWLY ACQUIRED DEPENDENTS OF EXISTING ENROLLEES; OR

(VI) CEASE ANY ADVERTISING OR SOLICITATION;".

(Over)