

CF SB 332

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**By: Delegates Love, Klausmeier, Goldwater, Barve, Morhaim, Walkup, Frank, Harrison, and ~~Stup~~ Stup, Finifter, Kagan, Busch, Gordon, Donoghue, Kach, V. Mitchell, McClenahan, Kelly, Eckardt, Boston, Krysiak, Exum, Kirk, Crumlin, Pendergrass, and Fulton**

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 1997

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

**2 Health Maintenance Organizations - Referrals to Continuing Care Facilities**

3 FOR the purpose of requiring a primary care physician under certain circumstances to  
 4 refer a subscriber or an enrollee of a health maintenance organization to the skilled  
 5 nursing unit at a continuing care facility for the provision of health care services  
 6 whenever the subscriber or enrollee is a resident of the continuing care facility;  
 7 providing that the primary care physician does not have to refer a subscriber or an  
 8 enrollee to the continuing care facility under certain circumstances; clarifying that  
 9 the continuing care facility is not obligated to accept anyone other than a patient for  
 10 certain health care services; clarifying that the health maintenance organization and  
 11 the continuing care facility are not required to advertise certain information; and  
 12 generally relating to referrals to continuing care facilities.

13 BY adding to

14 Article - Health - General

15 Section 19-712.6

16 Annotated Code of Maryland

17 (1996 Replacement Volume and 1996 Supplement)

18 **Preamble**

19 ~~WHEREAS, Over 10,000 Marylanders, over the age of 65, reside in continuing care~~  
 20 ~~retirement communities; and~~

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1           ~~WHEREAS, Many older citizens choose to live in continuing care retirement~~  
2 ~~communities for the rest of their lives; and~~

3           ~~WHEREAS, Continuing care retirement communities provide the entire continuum~~  
4 ~~of health care services; and~~

5           ~~WHEREAS, Continuing care retirement communities are wellness managed care~~  
6 ~~organizations that have been in existence for over 20 years; and~~

7           ~~WHEREAS, Health care services delivered in one's home are more cost effective~~  
8 ~~for the individual and the entire health care system and are better for the physical,~~  
9 ~~mental, and overall well-being of an individual; and~~

10           ~~WHEREAS, Geographic separation for married individuals who reside together in~~  
11 ~~a continuing care retirement community would occur if they could not return to their~~  
12 ~~continuing care retirement community for rehabilitation and recuperation; now,~~  
13 ~~therefore;~~

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

16           **Article - Health - General**

17 19-712.6.

18           ~~(A) WHENEVER A SUBSCRIBER OR AN ENROLLEE OF A HEALTH~~  
19 ~~MAINTENANCE ORGANIZATION IS A RESIDENT OF A CONTINUING CARE FACILITY~~  
20 ~~THAT IS REGULATED UNDER ARTICLE 70B OF THE CODE AND RECEIVED HEALTH~~  
21 ~~CARE SERVICES IN AN ACUTE CARE HEALTH CARE FACILITY, THE RESIDENT'S~~  
22 ~~PRIMARY CARE PHYSICIAN SHALL REFER THE RESIDENT, IF MEDICALLY~~  
23 ~~APPROPRIATE, TO THE RESIDENT'S CONTINUING CARE FACILITY FOR THE~~  
24 ~~PROVISION OF HEALTH CARE SERVICES, AS PROVIDED IN THE RESIDENT'S~~  
25 ~~CONTINUING CARE AGREEMENT SKILLED NURSING UNIT AT THE RESIDENT'S~~  
26 ~~CONTINUING CARE FACILITY FOR THE PROVISION OF THE HEALTH CARE SERVICES~~  
27 ~~INCLUDED IN THE RESIDENT'S HEALTH MAINTENANCE ORGANIZATION MEDICARE~~  
28 ~~CONTRACT, IF:~~

29                   (1) THE PRIMARY CARE PHYSICIAN AND THE RESIDENT OR THE  
30 DESIGNATED REPRESENTATIVE OF THE RESIDENT DO NOT CHOOSE AN  
31 ALTERNATIVE COURSE OF TREATMENT;

32                   (2) THE FACILITY ~~AGREES TO BE REIMBURSED AT THE CONTRACT~~  
33 ~~RATE NEGOTIATED BY THE HEALTH MAINTENANCE ORGANIZATION WITH SIMILAR~~  
34 ~~PROVIDERS FOR THE PROVISION OF THE SAME HEALTH CARE SERVICES AND~~  
35 ~~SUPPLIES; AND BECOMES A CONTRACTING PROVIDER IN ACCORDANCE WITH THE~~  
36 ~~HEALTH MAINTENANCE ORGANIZATION'S STANDARD TERMS AND CONDITIONS FOR~~  
37 ~~ITS PARTICIPATING PROVIDERS AND MEETS THE CREDENTIALING CRITERIA FOR~~  
38 ~~BECOMING A PARTICIPATING PROVIDER;~~

39                   (3) THE FACILITY MEETS ALL THE GUIDELINES ESTABLISHED BY THE  
40 DIVISION OF LICENSING AND CERTIFICATION OF THE DEPARTMENT; INCLUDING  
41 CERTIFICATION; AND

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1                   (4) THE CONTINUING CARE FACILITY'S SKILLED NURSING UNIT IS  
2 CERTIFIED AS A MEDICARE SKILLED NURSING FACILITY.

3                   (B) (1) THE CONTINUING CARE FACILITY IS NOT OBLIGATED TO ACCEPT  
4 ANYONE OTHER THAN A RESIDENT OF THE CONTINUING CARE FACILITY FOR  
5 HEALTH CARE SERVICES.

6                   (2) THE HEALTH MAINTENANCE ORGANIZATION AND THE  
7 CONTINUING CARE FACILITY ARE NOT OBLIGATED TO ADVERTISE THAT THE  
8 FACILITY IS A PARTICIPATING PROVIDER WITH RESPECT TO COVERAGE OFFERED  
9 BY THE HEALTH MAINTENANCE ORGANIZATION FOR MEDICARE BENEFITS OR  
10 OTHER TREATMENT IN THE SKILLED NURSING UNIT FACILITY FOR OTHER THAN  
11 THE CONTINUING CARE FACILITY'S RESIDENTS.

12                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 1997.