
**By: Senators Bromwell, Dorman, Hafer, Roesser, Trotter, Derr, Astle, Teitelbaum,
Hoffman, ~~and Hollinger~~ Hollinger, and Forehand**

Introduced and read first time: January 24, 1997

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 1997

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 skilled nursing unit at a health maintenance
5 organization to a continuing care facility for the provision of certain health care
6 services whenever the subscriber or enrollee is a resident of the continuing care
7 facility.

8 BY adding to
9 Article - Health - General
10 Section 19-712.6
11 Annotated Code of Maryland
12 (1996 Replacement Volume and 1996 Supplement)

13 Preamble

14 WHEREAS, Over 10,000 Marylanders, over the age of 65, reside in continuing care
15 retirement communities; and

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

18 WHEREAS, Continuing care retirement communities provide the entire continuum
19 of health care services; and

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

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

4 WHEREAS, Geographic separation for married individuals who reside together in
5 a continuing care retirement community would occur if they could not return to their
6 continuing care retirement community for rehabilitation and recuperation; now,
7 therefore,

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

10 **Article - Health - General**

11 19-712.6.

12 WHENEVER A SUBSCRIBER OR AN ENROLLEE OF A HEALTH MAINTENANCE
13 ORGANIZATION IS A RESIDENT OF A CONTINUING CARE FACILITY THAT IS
14 REGULATED UNDER ARTICLE 70B OF THE CODE AND RECEIVED HEALTH CARE
15 SERVICES IN AN ACUTE CARE HEALTH CARE FACILITY, THE RESIDENT'S PRIMARY
16 CARE PHYSICIAN SHALL REFER, IF MEDICALLY APPROPRIATE, THE RESIDENT TO
17 ~~THE RESIDENT'S CONTINUING CARE FACILITY FOR THE PROVISION OF HEALTH~~
18 ~~CARE SERVICES, AS PROVIDED IN THE RESIDENT'S CONTINUING CARE AGREEMENT,~~
19 SKILLED NURSING UNIT AT THE RESIDENT'S CONTINUING CARE FACILITY FOR THE
20 PROVISION OF HEALTH CARE SERVICES INCLUDED IN THE RESIDENT'S HEALTH
21 MAINTENANCE ORGANIZATION MEDICARE CONTRACT IF:

22 (1) THE PRIMARY CARE PHYSICIAN AND THE RESIDENT OR THE
23 DESIGNATED REPRESENTATIVE OF THE RESIDENT DO NOT CHOOSE AN
24 ALTERNATIVE COURSE OF TREATMENT;

25 ~~(2) THE FACILITY AGREES TO BE REIMBURSED AT THE CONTRACT~~
26 ~~RATE NEGOTIATED BY THE HEALTH MAINTENANCE ORGANIZATION WITH SIMILAR~~
27 ~~PROVIDERS FOR THE PROVISION OF THE SAME HEALTH CARE SERVICES AND~~
28 ~~SUPPLIES; AND~~

29 (2) THE CONTINUING CARE FACILITY BECOMES A CONTRACTING
30 PROVIDER IN ACCORDANCE WITH THE HEALTH MAINTENANCE ORGANIZATION'S
31 STANDARD TERMS AND CONDITIONS FOR ITS PARTICIPATING PROVIDERS AND
32 MEETS THE CREDENTIALING CRITERIA FOR BECOMING A PARTICIPATING
33 PROVIDER;

34 (3) THE CONTINUING CARE FACILITY MEETS ALL THE GUIDELINES
35 ESTABLISHED BY THE DIVISION OF LICENSING AND CERTIFICATION OF THE
36 DEPARTMENT, INCLUDING MEDICARE CERTIFICATION;

37 (4) THE CONTINUING CARE FACILITY'S SKILLED NURSING UNIT IS
38 CERTIFIED AS A MEDICARE SKILLED NURSING FACILITY;

39 (5) THE CONTINUING CARE FACILITY IS NOT OBLIGATED TO ACCEPT
40 FOR THE PROVISION OF HEALTH CARE SERVICES ANYONE OTHER THAN A
41 RESIDENT OF THE CONTINUING CARE FACILITY; AND

1 (6) NEITHER THE HEALTH MAINTENANCE ORGANIZATION NOR THE
2 CONTINUING CARE FACILITY IS OBLIGATED TO ADVERTISE IN ANY MANNER THAT
3 THE CONTINUING CARE FACILITY IS A PARTICIPATING PROVIDER WITH RESPECT TO
4 COVERAGE OFFERED BY THE HEALTH MAINTENANCE ORGANIZATION FOR
5 MEDICARE BENEFITS OR OTHER TREATMENT IN THE SKILLED NURSING FACILITY
6 FOR ANYONE OTHER THAN RESIDENTS OF THE CONTINUING CARE FACILITY.

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