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**By: Senator Bromwell**

Introduced and read first time: February 19, 1997

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Task Force on Health Care Regulatory Reform**

3 FOR the purpose of creating the Task Force on Health Care Regulatory Reform;  
4 specifying the duties of the Task Force; providing for the membership of the Task  
5 Force; requiring the Department of Health and Mental Hygiene to hire a consultant  
6 for a certain purpose under certain circumstances; requiring the Task Force to  
7 determine the amount of funding, up to a certain amount, necessary to perform the  
8 duties of the Task Force; providing that the Governor shall require certain agencies  
9 to provide certain funding; requiring the Task Force to report to certain persons by  
10 a certain date; providing for the effective date of this Act; and generally relating to  
11 the Task Force on Health Care Regulatory Reform.

12 BY adding to

13 Article 41 - Governor - Executive and Administrative Departments  
14 Section 18-301  
15 Annotated Code of Maryland  
16 (1993 Replacement Volume and 1996 Supplement)

17 Preamble

18 WHEREAS, In the last several years there has been rapid change in the structure  
19 of the health care industry in Maryland; and

20 WHEREAS, Over the last several decades, Maryland has enacted a regulatory  
21 system governing the relationships among consumers, hospitals, health care practitioners,  
22 third party payors, and government; and

23 WHEREAS, The various agencies were instituted at different times and under  
24 different circumstances and an evaluation of this relevance to today's health care delivery  
25 system needs to be studied; and

26 WHEREAS, Many perceive that overlapping regulations and confusion over which  
27 agency has jurisdiction resulting from this system are increasing the cost of health care  
28 and the lack of an overall coordinated approach to regulation; and

29 WHEREAS, There may be gaps in the regulatory system where certain unregulated  
30 activities should be regulated; and

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1 WHEREAS, The appropriate degree of regulation is important if Maryland's  
2 economy is to grow and its citizens are to have access to affordable quality health care;  
3 now, therefore,

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

6 **Article 41 - Governor - Executive and Administrative Departments**

7 18-301.

8 (A) (1) THERE IS A TASK FORCE ON HEALTH CARE REGULATORY REFORM.

9 (2) THE TASK FORCE SHALL:

10 (I) EVALUATE AND MAKE RECOMMENDATIONS TO THE GENERAL  
11 ASSEMBLY AND THE GOVERNOR ON HOW TO STREAMLINE THE REGULATORY  
12 PROCESS AND INCREASE COORDINATION AMONG VARIOUS REGULATORY BODIES  
13 TO ENHANCE THEIR EFFICIENCY AND EFFECTIVENESS IN SERVING THE HEALTH  
14 CARE INDUSTRY WHILE MAINTAINING QUALITY, AFFORDABLE, AND ACCESSIBLE  
15 HEALTH CARE FOR THE CITIZENS OF MARYLAND; AND

16 (II) INCLUDE IN ITS SCOPE OF REVIEW THE FOLLOWING AGENCIES:

- 17 1. THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;
- 18 2. THE MARYLAND INSURANCE ADMINISTRATION;
- 19 3. THE HEALTH RESOURCES PLANNING COMMISSION;
- 20 4. THE HEALTH SERVICES COST REVIEW COMMISSION;
- 21 5. THE HEALTH CARE ACCESS AND COST COMMISSION; AND
- 22 6. ANY OTHER MARYLAND AGENCY THAT REGULATES  
23 HEALTH CARE.

24 (B) THE TASK FORCE SHALL CONSIST OF THE FOLLOWING 16 MEMBERS:

25 (1) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED BY THE  
26 PRESIDENT OF THE SENATE;

27 (2) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE  
28 SPEAKER OF THE HOUSE OF DELEGATES; AND

29 (3) FOURTEEN MEMBERS APPOINTED BY THE GOVERNOR ON OR  
30 BEFORE JULY 1, 1997, AS FOLLOWS:

31 (I) ONE MEMBER NOMINATED BY THE MARYLAND CHAMBER OF  
32 COMMERCE;

33 (II) ONE MEMBER NOMINATED BY THE ASSOCIATION OF  
34 MARYLAND HOSPITALS AND HEALTH SYSTEMS;

35 (III) ONE MEMBER NOMINATED BY A NONPROFIT HEALTH SERVICE  
36 PLAN;

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1 (IV) ONE MEMBER NOMINATED BY THE LEAGUE OF LIFE AND  
2 HEALTH INSURERS OF MARYLAND;

3 (V) ONE MEMBER NOMINATED BY THE MARYLAND MEDICAL AND  
4 CHIRURGICAL FACULTY;

5 (VI) ONE MEMBER NOMINATED BY THE MARYLAND ASSOCIATION  
6 OF HEALTH MAINTENANCE ORGANIZATIONS;

7 (VII) ONE MEMBER NOMINATED BY THE MARYLAND- DISTRICT OF  
8 COLUMBIA AFL-CIO;

9 (VIII) ONE MEMBER OF AN ACADEMIC MEDICAL CENTER  
10 NOMINATED BY THE JOHNS HOPKINS HEALTH SYSTEM AND THE UNIVERSITY OF  
11 MARYLAND MEDICAL SYSTEM;

12 (IX) FOUR MEMBERS REPRESENTING CONSUMER INTERESTS WHO  
13 ARE UNAFFILIATED WITH THE HEALTH CARE INDUSTRY TO BE APPOINTED AT THE  
14 GOVERNOR'S DISCRETION;

15 (X) ONE MEMBER WHO IS A NONPHYSICIAN HEALTH CARE  
16 PROVIDER TO BE APPOINTED AT THE GOVERNOR'S DISCRETION; AND

17 (XI) ONE MEMBER OF A NONHOSPITAL HEALTH CARE FACILITY TO  
18 BE APPOINTED AT THE GOVERNOR'S DISCRETION.

19 (C) (1) THE GOVERNOR SHALL DESIGNATE THE CHAIRMAN OF THE TASK  
20 FORCE FROM THE APPOINTED MEMBERS.

21 (2) THE CHAIRMAN MAY NOT BE AFFILIATED WITH THE HEALTH CARE  
22 INDUSTRY.

23 (D) THE DEPARTMENT OF LEGISLATIVE REFERENCE AND THE DEPARTMENT  
24 OF FISCAL SERVICES SHALL COORDINATE WITH OTHER STATE AGENCIES TO  
25 PROVIDE STAFFING FOR THE TASK FORCE.

26 (E) A MEMBER OF THE TASK FORCE MAY NOT RECEIVE COMPENSATION BUT  
27 IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE  
28 TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

29 (F) THE TASK FORCE SHALL MAKE RECOMMENDATIONS ON HOW TO:

30 (1) STREAMLINE THE HEALTH CARE REGULATORY PROCESS;

31 (2) COORDINATE AND INTEGRATE THE ROLE AND MISSION OF THE  
32 VARIOUS HEALTH CARE REGULATORY AGENCIES;

33 (3) REDUCE DUPLICATION IN HEALTH CARE REGULATORY FUNCTIONS  
34 AND REGULATIONS;

35 (4) CONSOLIDATE HEALTH CARE REGULATORY AGENCIES AND  
36 FUNCTIONS;

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1 (5) EVALUATE THE COST OF REGULATIONS IN COMPARISON WITH THE  
2 BENEFITS;

3 (6) EVALUATE THE IMPACT OF THE REGULATORY SYSTEM ON ACCESS  
4 BY MARYLAND'S CITIZENS TO AFFORDABLE QUALITY HEALTH CARE; AND

5 (7) IDENTIFY UNREGULATED AREAS WHERE REGULATION MAY BE  
6 APPROPRIATE TO ASSURE ACCESS TO QUALITY HEALTH CARE SERVICES IN THE  
7 STATE.

8 (G) (1) TO ASSIST THE TASK FORCE IN ITS WORK, THE DEPARTMENT OF  
9 HEALTH AND MENTAL HYGIENE SHALL CONTRACT WITH AN INDEPENDENT  
10 CONSULTANT TO STUDY AND EVALUATE THE COST, QUALITY, AND ACCESS  
11 IMPLICATIONS ASSOCIATED WITH THE STATE'S HEALTH CARE REGULATORY  
12 SYSTEM.

13 (2) (I) THE TASK FORCE SHALL DEVELOP CRITERIA FOR HIRING AN  
14 INDEPENDENT CONSULTANT TO ASSIST THE TASK FORCE IN ITS WORK.

15 (II) THE CRITERIA SHALL INCLUDE A REQUIREMENT THAT THE  
16 CONSULTANT HAVE A WORKING KNOWLEDGE OF THE HEALTH CARE REGULATORY  
17 SYSTEM IN THE STATE, BUT WITH NO VESTED INTEREST IN THE STATE'S HEALTH  
18 CARE INDUSTRY.

19 (3) (I) THE TASK FORCE SHALL DETERMINE THE AMOUNT OF  
20 FUNDING NECESSARY TO HIRE THE INDEPENDENT CONSULTANT.

21 (II) THE AMOUNT OF FUNDING THAT THE TASK FORCE MAY  
22 DETERMINE IS NECESSARY MAY NOT EXCEED \$300,000.

23 (4) THE GOVERNOR SHALL EVALUATE THE TASK FORCE'S FUNDING  
24 REQUEST, AND IF REASONABLE, DIRECT THE FOLLOWING STATE AGENCIES TO  
25 PROVIDE FUNDING IN THE AMOUNTS THE GOVERNOR CONSIDERS APPROPRIATE:

26 (I) THE MARYLAND INSURANCE ADMINISTRATION;

27 (II) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;

28 (III) THE HEALTH CARE ACCESS AND COST COMMISSION;

29 (IV) THE HEALTH SERVICES COST REVIEW COMMISSION; AND

30 (V) THE HEALTH RESOURCES PLANNING COMMISSION.

31 (H) THE TASK FORCE SHALL SUBMIT A PRELIMINARY REPORT TO THE  
32 GOVERNOR AND, SUBJECT TO § 2-1312 OF THE STATE GOVERNMENT ARTICLE, THE  
33 GENERAL ASSEMBLY ON OR BEFORE DECEMBER 1, 1997 AND A FINAL REPORT BY  
34 DECEMBER 1, 1998.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
36 June 1, 1997.