
By: Senator Bromwell

Introduced and read first time: February 19, 1997

Assigned to: Rules

Re-referred to: Finance, February 24, 1997

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 21, 1997

CHAPTER ____

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

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

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

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

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

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

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

15 18-301.

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

17 (2) THE TASK FORCE SHALL:

18 (I) EVALUATE AND MAKE RECOMMENDATIONS TO THE GENERAL
19 ASSEMBLY AND THE GOVERNOR ON HOW TO STREAMLINE THE REGULATORY
20 PROCESS AND INCREASE COORDINATION AMONG VARIOUS REGULATORY BODIES
21 TO ENHANCE THEIR EFFICIENCY AND EFFECTIVENESS IN SERVING THE HEALTH
22 CARE INDUSTRY WHILE MAINTAINING QUALITY, AFFORDABLE, AND ACCESSIBLE
23 HEALTH CARE FOR THE CITIZENS OF MARYLAND; AND

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

- 25 1. THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;
26 2. THE MARYLAND INSURANCE ADMINISTRATION;
27 3. THE HEALTH RESOURCES PLANNING COMMISSION;
28 4. THE HEALTH SERVICES COST REVIEW COMMISSION;
29 5. THE HEALTH CARE ACCESS AND COST COMMISSION; AND
30 6. ANY OTHER MARYLAND AGENCY THAT REGULATES
31 HEALTH CARE.

32 (B) THE TASK FORCE SHALL CONSIST OF THE FOLLOWING ~~46~~ 28 MEMBERS:

33 (1) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED BY THE
34 PRESIDENT OF THE SENATE;

35 (2) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE
36 SPEAKER OF THE HOUSE OF DELEGATES; ~~AND~~

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1 (3) ~~FOURTEEN~~ TWENTY-ONE MEMBERS APPOINTED BY THE
2 GOVERNOR ON OR BEFORE JULY 1, 1997, AS FOLLOWS:

3 (I) ONE MEMBER NOMINATED BY THE MARYLAND CHAMBER OF
4 COMMERCE;

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

7 (III) ONE MEMBER NOMINATED BY A NONPROFIT HEALTH SERVICE
8 PLAN;

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

11 (V) ONE MEMBER NOMINATED BY THE MARYLAND MEDICAL AND
12 CHIRURGICAL FACULTY;

13 (VI) ONE MEMBER NOMINATED BY THE MARYLAND ASSOCIATION
14 OF HEALTH MAINTENANCE ORGANIZATIONS;

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

17 (VIII) ONE MEMBER OF AN ACADEMIC MEDICAL CENTER
18 NOMINATED BY THE JOHNS HOPKINS HEALTH SYSTEM AND THE UNIVERSITY OF
19 MARYLAND MEDICAL SYSTEM;

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

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

25 (XI) ONE MEMBER OF A NONHOSPITAL HEALTH CARE FACILITY TO
26 BE APPOINTED AT THE GOVERNOR'S DISCRETION-;

27 (XII) ONE MEMBER NOMINATED BY THE DEAN OF THE SCHOOL OF
28 NURSING AT COPPIN STATE COLLEGE;

29 (XIII) ONE MEMBER OF THE LONG-TERM CARE INDUSTRY TO BE
30 APPOINTED AT THE GOVERNOR'S DISCRETION; AND

31 (XIV) FIVE MEMBERS REPRESENTING COMMUNITY-BASED
32 PROGRAMS, APPOINTED AT THE GOVERNOR'S DISCRETION; AND

33 (4) FIVE NONVOTING MEMBERS APPOINTED AS FOLLOWS:

34 (I) ONE DESIGNEE OF THE SECRETARY OF HEALTH AND MENTAL
35 HYGIENE;

36 (II) ONE DESIGNEE OF THE INSURANCE COMMISSIONER;

1 (III) ONE DESIGNEE OF THE CHAIRMAN OF THE HEALTH
2 RESOURCES PLANNING COMMISSION;

3 (IV) ONE DESIGNEE OF THE CHAIRMAN OF THE HEALTH SERVICES
4 COST REVIEW COMMISSION; AND

5 (V) ONE DESIGNEE OF THE CHAIRMAN OF THE HEALTH CARE
6 ACCESS AND COST COMMISSION.

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

9 (2) THE CHAIRMAN MAY NOT BE AFFILIATED WITH THE HEALTH CARE
10 INDUSTRY.

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

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

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

18 (1) STREAMLINE THE HEALTH CARE REGULATORY PROCESS;

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

21 (3) REDUCE DUPLICATION IN HEALTH CARE REGULATORY FUNCTIONS
22 AND REGULATIONS;

23 (4) CONSOLIDATE HEALTH CARE REGULATORY AGENCIES AND
24 FUNCTIONS;

25 (5) EVALUATE THE COST OF REGULATIONS IN COMPARISON WITH THE
26 BENEFITS;

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

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

32 (G) (1) TO ASSIST THE TASK FORCE IN ITS WORK, THE DEPARTMENT OF
33 HEALTH AND MENTAL HYGIENE SHALL CONTRACT WITH AN INDEPENDENT
34 CONSULTANT TO STUDY AND EVALUATE THE COST, QUALITY, AND ACCESS
35 IMPLICATIONS ASSOCIATED WITH THE STATE'S HEALTH CARE REGULATORY
36 SYSTEM.

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

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1 (II) THE CRITERIA SHALL INCLUDE A REQUIREMENT THAT THE
2 CONSULTANT HAVE A WORKING KNOWLEDGE OF THE HEALTH CARE REGULATORY
3 SYSTEM IN THE STATE, BUT WITH NO VESTED INTEREST IN THE STATE'S HEALTH
4 CARE INDUSTRY.

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

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

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

12 (I) THE MARYLAND INSURANCE ADMINISTRATION;

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

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

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

16 (V) THE HEALTH RESOURCES PLANNING COMMISSION.

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

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