
By: **Delegates McHale and Donoghue**

Introduced and read first time: March 2, 1998

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Maintenance Organizations - Annual External Review of Quality**

3 FOR the purpose of requiring the Department of Health and Mental Hygiene to
4 conduct an annual external review of the quality of health care services of
5 health maintenance organizations under certain circumstances.

6 BY repealing and reenacting, with amendments,

7 Article - Health - General

8 Section 19-705.1(f)

9 Annotated Code of Maryland

10 (1996 Replacement Volume and 1997 Supplement)

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

13 **Article - Health - General**

14 19-705.1.

15 (f) (1) Except as provided in paragraph (5) of this subsection, the
16 Department shall conduct an ANNUAL external review of the quality of the health
17 services of the health maintenance organization in a manner that the Department
18 considers to be appropriate.

19 (2) The external review shall be conducted by:

20 (i) A panel of physicians and other health professionals that
21 consists of persons who:

22 1. Have been approved by the Department;

23 2. Have substantial experience in the delivery of health care
24 in a health maintenance organization setting, but who are not members of the health
25 maintenance organization staff or performing professional services for the health
26 maintenance organization; and

- 1
2 maintenance organization;
- 3 3. Reside outside the area serviced by the health
- 3 (ii) The Department; or
- 4 (iii) A federally-approved professional standards review
- 5 organization.
- 6 (3) The final decision on the type of external review that is to be
- 7 employed rests solely with the Secretary.
- 8 (4) The external review shall consist of a review and evaluation of:
- 9 (i) An internal peer review system and reports;
- 10 (ii) The program plan of the health maintenance organization to
- 11 determine if it is adequate and being followed;
- 12 (iii) The professional standards and practices of the health
- 13 maintenance organization in every area of services provided;
- 14 (iv) The grievances relating specifically to the delivery of medical
- 15 care, including their final disposition;
- 16 (v) The physical facilities and equipment; and
- 17 (vi) A statistically representative sample of member records.
- 18 (5) (i) The Secretary may accept all or part of a report of an approved
- 19 accrediting organization as meeting the external review requirements under this
- 20 subtitle.
- 21 (ii) Except as provided in subparagraph (iii) of this paragraph, a
- 22 report of an approved accrediting organization used by the Department as meeting
- 23 the external review requirements under this subtitle shall be made available to the
- 24 public on request.
- 25 (iii) The Department may not disclose and shall treat as
- 26 confidential all confidential commercial and financial information contained in a
- 27 report of an approved accrediting organization in accordance with § 10-617(d) of the
- 28 State Government Article.
- 29 (iv) The Department may inspect a facility of a health maintenance
- 30 organization to:
- 31 1. Determine compliance with any quality requirement
- 32 established under this subtitle;
- 33 2. Follow up on a serious problem identified by an approved
- 34 accrediting organization; or

