

SENATE BILL 38

Unofficial Copy
J1

1998 Regular Session
8lr0616

(PRE-FILED)

By: **Senator Baker**

Requested: October 30, 1997

Introduced and read first time: January 14, 1998

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program - Durable Medical Equipment**
3 **Suppliers**

4 FOR the purpose of requiring the Department of Health and Mental Hygiene to
5 consider a supplier of durable medical equipment to be a historic provider for
6 certain purposes under certain circumstances; prohibiting a managed care
7 organization from contracting for the provision of durable medical equipment to
8 Program recipients with a supplier that lacks certain accreditation; and
9 generally relating to the suppliers of durable medical equipment within the
10 Maryland Medical Assistance Program.

11 BY repealing and reenacting, with amendments,
12 Article - Health - General
13 Section 15-103(b)(17) and 15-129
14 Annotated Code of Maryland
15 (1994 Replacement Volume and 1997 Supplement)

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

18 **Article - Health - General**

19 15-103.

20 (b) (17) (I) For a managed care organization with which the Secretary
21 contracts to provide services to Program recipients under this subsection, the
22 Secretary shall establish a mechanism to initially assure that each historic provider
23 that meets the Department's quality standards has the opportunity to continue to
24 serve Program recipients as a subcontractor of at least one managed care
25 organization.

26 (II) FOR THE PURPOSES OF SUBPARAGRAPH (I) OF THIS
27 PARAGRAPH, THE DEPARTMENT SHALL CONSIDER A SUPPLIER OF DURABLE
28 MEDICAL EQUIPMENT TO BE A HISTORIC PROVIDER DESPITE THE FACT THAT THE

1 SUPPLIER EARNED LESS THAN THE REQUIRED MINIMUM NUMBER OF DOLLARS IN
2 MEDICAID PAYMENTS OVER A SPECIFIED PERIOD OF TIME IF THE SUPPLIER
3 SATISFIES ALL OTHER CRITERIA REQUIRED BY THE DEPARTMENT FOR
4 CLASSIFICATION AS A HISTORIC PROVIDER.

5 15-129.

6 (a) In this section "durable medical equipment" means durable medical
7 equipment listed in the medical assistance provider fee manual, as provided in
8 regulations adopted by the Department.

9 (b) To determine whether the prices charged for durable medical equipment
10 provided to Program recipients are reasonable, the Department shall establish
11 regulations and procedures for reviewing the prices of durable medical equipment
12 every 3 years.

13 (c) The Department, to the extent feasible and appropriate, shall recover all
14 durable medical equipment from Program recipients that:

15 (1) Was purchased by the Department; and

16 (2) Is no longer required by the recipient.

17 (d) Except as provided in subsection (e) of this section and to the extent
18 feasible and appropriate, the Department shall reuse the durable medical equipment
19 recovered under subsection (c) of this section to meet the needs of other Program
20 recipients for the same durable medical equipment.

21 (e) If the durable medical equipment recovered under subsection (c) of this
22 section is not in a condition that would enable another Program recipient to use it, the
23 Department may give the equipment to any organization that will:

24 (1) Repair or attempt to repair the equipment; and

25 (2) Provide the equipment at no charge to other persons who require the
26 same equipment.

27 (F) A MANAGED CARE ORGANIZATION MAY NOT CONTRACT FOR THE
28 PROVISION OF DURABLE MEDICAL EQUIPMENT TO PROGRAM RECIPIENTS WITH A
29 SUPPLIER THAT IS NOT ACCREDITED BY THE JOINT COMMISSION ON
30 ACCREDITATION OF HEALTHCARE ORGANIZATIONS.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 1998.