

SENATE BILL 38

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1998 Regular Session
8lr0616

(PRE-FILED)

By: **Senator Baker**
Requested: October 30, 1997
Introduced and read first time: January 14, 1998
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: February 17, 1998

CHAPTER _____

1 AN ACT concerning

2 **Maryland Medical Assistance Program - Durable Medical Equipment**
3 **Suppliers Historic Providers - Definition**

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~~ altering
10 the definition of "historic provider" to include certain licensed residential service
11 agencies that, as of a certain date, had a demonstrated history of providing
12 services to program recipients under the Maryland Medical Assistance Program;
13 and generally relating to the definition of "historic provider" for purposes of the
14 Maryland Medical Assistance Program.

15 BY repealing and reenacting, with amendments,
16 Article - Health - General
17 Section ~~15-103(b)(17) and 15-129~~ 15-101(d)(1)
18 Annotated Code of Maryland
19 (1994 Replacement Volume and 1997 Supplement)

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

1

Article - Health - General2 15-101.

3 (d) (1) "Historic provider" means a health care provider, as defined in §
4 19-1501 of this Article [who], OR A RESIDENTIAL SERVICE AGENCY LICENSED
5 UNDER TITLE 19, SUBTITLE 4A OF THIS ARTICLE, THAT, on or before June 30, 1995,
6 had a demonstrated history of providing services to program recipients, as defined by
7 the Department in regulations.

8 ~~15-103.~~

9 (b) ~~(17) (I) For a managed care organization with which the Secretary~~
10 ~~contracts to provide services to Program recipients under this subsection, the~~
11 ~~Secretary shall establish a mechanism to initially assure that each historic provider~~
12 ~~that meets the Department's quality standards has the opportunity to continue to~~
13 ~~serve Program recipients as a subcontractor of at least one managed care~~
14 ~~organization.~~

15 ~~(II) FOR THE PURPOSES OF SUBPARAGRAPH (I) OF THIS~~
16 ~~PARAGRAPH, THE DEPARTMENT SHALL CONSIDER A SUPPLIER OF DURABLE~~
17 ~~MEDICAL EQUIPMENT TO BE A HISTORIC PROVIDER DESPITE THE FACT THAT THE~~
18 ~~SUPPLIER EARNED LESS THAN THE REQUIRED MINIMUM NUMBER OF DOLLARS IN~~
19 ~~MEDICAID PAYMENTS OVER A SPECIFIED PERIOD OF TIME IF THE SUPPLIER~~
20 ~~SATISFIES ALL OTHER CRITERIA REQUIRED BY THE DEPARTMENT FOR~~
21 ~~CLASSIFICATION AS A HISTORIC PROVIDER.~~

22 ~~15-129.~~

23 (a) ~~In this section "durable medical equipment" means durable medical~~
24 ~~equipment listed in the medical assistance provider fee manual, as provided in~~
25 ~~regulations adopted by the Department.~~

26 (b) ~~To determine whether the prices charged for durable medical equipment~~
27 ~~provided to Program recipients are reasonable, the Department shall establish~~
28 ~~regulations and procedures for reviewing the prices of durable medical equipment~~
29 ~~every 3 years.~~

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

32 (1) ~~Was purchased by the Department; and~~

33 (2) ~~Is no longer required by the recipient.~~

34 (d) ~~Except as provided in subsection (c) of this section and to the extent~~
35 ~~feasible and appropriate, the Department shall reuse the durable medical equipment~~
36 ~~recovered under subsection (c) of this section to meet the needs of other Program~~
37 ~~recipients for the same durable medical equipment.~~

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

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

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

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

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