Unofficial Copy

2000 Regular Session 0lr0138 CF 0lr0183

By: Chairman, Environmental Matters Committee (Departmental - Health and Mental Hygiene)

Introduced and read first time: January 19, 2000

Assigned to: Environmental Matters

Reassigned: Economic Matters, January 24, 2000

Committee Report: Favorable

House action: Adopted with floor amendments

Read second time: February 16, 2000

CHAPTER

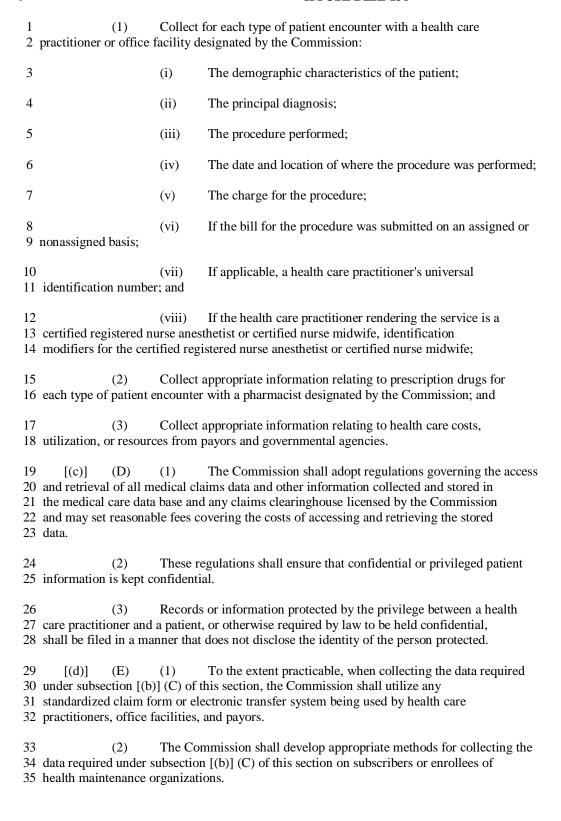
1 AN ACT concerning

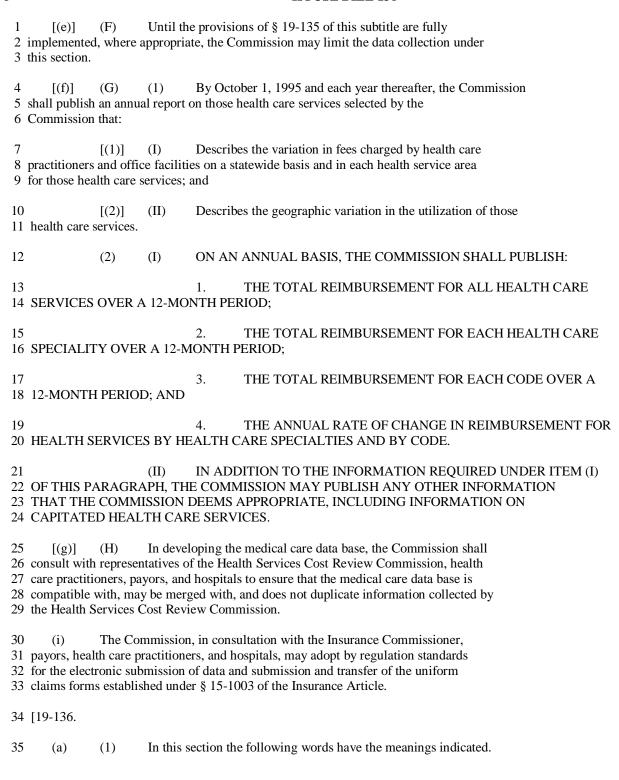
2 Maryland Health Care Commission - Modifications and Clarifications

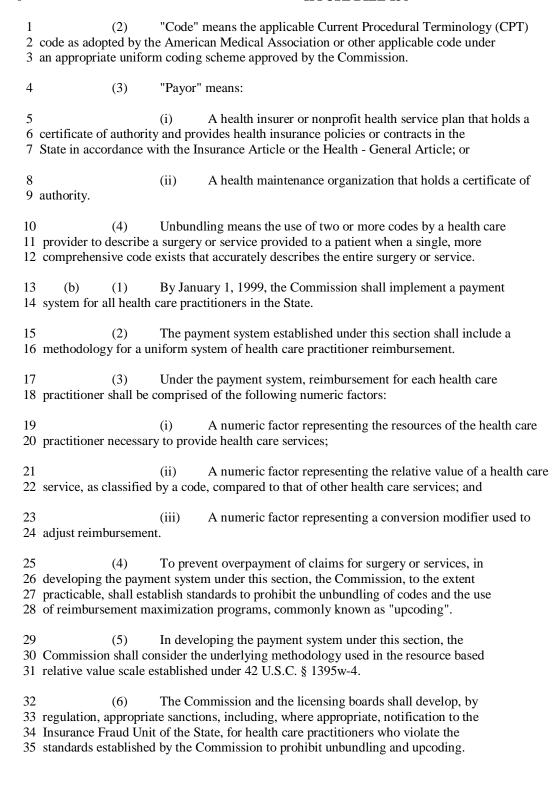
- 3 FOR the purpose of repealing the authority of the Maryland Health Care Commission
- 4 to develop a payment system for health care services; <u>altering a certain</u>
- 5 <u>definition;</u> altering certain provisions relating to the publishing of certain
- 6 information related to reimbursements from payors; authorizing the
- 7 Commission to promote the availability of certain information on charges by
- 8 practitioners and reimbursements from payors; authorizing the Commission to
- 9 impose certain requirements on payors; and generally relating to the Maryland
- 10 Health Care Commission.
- 11 BY repealing and reenacting, with amendments,
- 12 Article Health General
- 13 Section 19-103 and 19-134
- 14 Annotated Code of Maryland
- 15 (1996 Replacement Volume and 1999 Supplement)
- 16 BY repealing
- 17 Article Health General
- 18 Section 19-136
- 19 Annotated Code of Maryland
- 20 (1996 Replacement Volume and 1999 Supplement)
- 21 BY renumbering
- 22 Article Health General

1 2 3 4	Section 19-137 through 19-139, respectively to be Section 19-136 through 19-138, respectively Annotated Code of Maryland (1996 Replacement Volume and 1999 Supplement)						
5 6	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:						
7				Article - Hea	lth - General		
8	19-103.						
9	(a)	There is	a Maryla	nd Health Care Commi	ission.		
10 11	(b) Department.	1					
12	(c)	The purpose of the Commission is to:					
			quality h	health care cost contain ealth care services for a vices Cost Review Com		ıde	
			ylanders,	financial and geographi	lealth regulatory system that ic access to quality health car	e	
19 20	delivery of a	and impro	(i) oved acce	Advocating policies an	nd systems to promote the effices; AND	cient	
21 22	delivery and	regulato	(ii) ory systen		as of the current health care se	ervice	
23 24	developmen	(3) t of publi		e the public disclosure	of medical claims data for the	;	
25 26	services reno	(4) dered by		n and develop a medical re practitioners;	l care data base on health care	9	
29			ison of co	sts between various tre	clinical resource management atment settings and the and purchasers of health care	: systems	
31 32	develop:	(6)	In accor	dance with Title 15, Sul	btitle 12 of the Insurance Arti	cle,	
33 34	Comprehens	sive Stan	(i) dard Heal	A uniform set of effect th Benefit Plan; and	ive benefits to be included in	the	

1	(ii)) A	A modified health benefit plan for medical savings accounts;
2 3	* *	•	the medical care data base and provide, in aggregate form, as in costs associated with health care practitioners;
6	to compile data and inform	mation e, cost o	ilization of the medical care data base as a primary means and annually report on trends and variances of care, regional and national comparisons, and ions;
8	(9) [De	evelop	a payment system for health care services;
9 10	(10)] Est electronic claims clearing		standards for the operation and licensing of medical care s in Maryland;
11 12	[(11)] (1) 2 claims for health care pra		Reduce the costs of claims submission and the administration of ters and payors;
		nd afford	Develop a uniform set of effective benefits to be offered as dable coverage in the nongroup market in accordance Article; [and]
16 17			Determine the cost of mandated health insurance services in the 15, Subtitle 15 of the Insurance Article; AND
18 19			TE THE AVAILABILITY OF INFORMATION TO CONSUMERS ON ERS AND REIMBURSEMENTS FROM PAYORS.
		lth Serv	shall coordinate the exercise of its functions with the vices Cost Review Commission to ensure an policy for the State.
23	3 19-134.		
26	5 PROCEDURAL TERMI 6 ASSOCIATION OR OT	INOLO THER A	N, "CODE" MEANS THE APPLICABLE CURRENT DGY (CPT) CODE AS ADOPTED BY THE AMERICAN MEDICAL APPLICABLE CODE UNDER AN APPROPRIATE UNIFORM ED BY THE COMMISSION. IN THIS SECTION, "CODE" MEANS:
28 29			PLICABLE CURRENT PROCEDURAL TERMINOLOGY (CPT) E AMERICAN MEDICAL ASSOCIATION; OR
30 31			CODE IS NOT AVAILABLE, THE APPLICABLE CODE UNDER AN ODING SCHEME APPROVED BY THE COMMISSION.
		a on he	mission shall establish a Maryland medical care data base alth services rendered by health care practitioners the Commission.
35 36	5 [(b)] (C) In a regulation, the medical control		on to any other information the Commission may require by a base shall:







2	(c) (1) In establishing a payment system under this section, the Commission shall take into consideration the factors listed in this subsection.				
	(2) In making a determination under subsection (b)(3)(i) of this section concerning the resources of a health care practitioner necessary to deliver health care services, the Commission:				
6 7	reasonably related to	(i) the cost o		sure that the compensation for health care services is ng the health care service; and	
8		(ii)	Shall co	nsider:	
9			1.	The cost of professional liability insurance;	
10 11	regulatory requireme	nts;	2.	The cost of complying with all federal, State, and local	
12			3.	The reasonable cost of bad debt and charity care;	
	care practitioners, inc			The differences in experience or expertise among health in of relative preeminence in the practitioner's ion and continuing professional education;	
16			5.	The geographic variations in practice costs;	
17 18	necessary by the Con	nmission	6. to delive	The reasonable staff and office expenses deemed r health care services;	
19 20	with a teaching hospi	tal; and	7.	The costs associated with a faculty practice plan affiliated	
21			8.	Any other factors deemed appropriate by the Commission	
	2 (3) In making a determination under subsection (b)(3)(ii) of this section 3 concerning the value of a health care service relative to other health care services, the 4 Commission shall consider:				
25 26	that of other health ca	(i) are servic		tive complexity of the health care service compared to	
27		(ii)	The cog	nitive skills associated with the health care service;	
28 29	care service; and	(iii)	The time	e and effort that are necessary to provide the health	
30		(iv)	Any oth	er factors deemed appropriate by the Commission.	
31 32	(4) modifier shall be:	Except a	ıs provide	ed under subsection (d) of this section, a conversion	
33		(i)	A payor	's standard for reimbursement;	

1		(ii)	A health	care practitioner's standard for reimbursement; or	
2 3	practitioner.	(iii)	Arrange	ments agreed upon between a payor and a health care	
6 7	practitioner specialty	y group, to	veen the (bring tha	nmission may make an effort, through voluntary and Commission and the appropriate health care at health care practitioner specialty group st goals of the Commission if the Commission	
9 10	to unreasonable inc	reases in the	1. he overall	Certain health care services are significantly contributing volume and cost of health care services;	
				Health care practitioners in a specialty area have attained vices under a specific code in comparison to cialty area for the same code;	
	unreasonable levels to health care practi			Health care practitioners in a specialty area have attained in terms of total compensation, in comparison pecialty area;	
17 18	health care services	; or	4.	There are significant increases in the cost of providing	
	significantly from to subsection (f) of thi		5. care cost a	Costs in a particular health care specialty vary annual adjustment goal established under	
24 25	(ii) If the Commission determines that voluntary and cooperative efforts between the Commission and appropriate health care practitioners have been unsuccessful in bringing the appropriate health care practitioners into compliance with the health care cost goals of the Commission, the Commission may adjust the conversion modifier.				
29 30	(2) If the Commission adjusts the conversion modifier under this subsection for a particular specialty group, a health care practitioner in that specialty group may not be reimbursed more than an amount equal to the amount determined according to the factors set forth in subsection (b)(3)(i) and (ii) of this section and the conversion modifier established by the Commission.				
32	(e) (1)	On an a	nnual bas	is, the Commission shall publish:	
33 34	12-month period;	(i)	The tota	l reimbursement for all health care services over a	
35 36	12-month period;	(ii)	The tota	l reimbursement for each health care specialty over a	

1 2	and	(iii)	The total reimbursement for each code over a 12-month period				
3 4	by health care special	(iv) ties and b	The annual rate of change in reimbursement for health services by code.				
	(2) subsection, the Comm deems appropriate.		ion to the information required under paragraph of this ay publish any other information that the Commission				
10	(f) The Commission may establish health care cost annual adjustment goals for the cost of health care services and may establish the total cost of health care services by code to be rendered by a specialty group of health care practitioners designated by the Commission during a 12-month period.						
12 13	(g) In developing a health care cost annual adjustment goal under subsection (f) of this section, the Commission shall:						
16	Consult with appropriate health care practitioners, payors, the Association of Maryland Hospitals and Health Systems, the Health Services Cost Review Commission, the Department of Health and Mental Hygiene, and the Department of Business and Economic Development; and						
18	(2)	Take int	to consideration:				
19 20	the rising cost of hea	(i) Ith care in	The input costs and other underlying factors that contribute to n the State and in the United States;				
21		(ii)	The resources necessary for the delivery of quality health care;				
22 23	technology;	(iii)	The additional costs associated with aging populations and nev				
24		(iv)	The potential impacts of federal laws on health care costs; and				
25 26	practice patterns.	(v)	The savings associated with the implementation of modified				
	health maintenance of	rganizati	ection shall have the effect of impairing the ability of a on to contract with health care practitioners or any ly agreed upon terms and conditions.				
	in furtherance of the	purposes	rganization or society that performs activities in good faith of this section is not subject to criminal or civil liability at Act for those activities.]				
	through 19-139, resp	ectively,	FURTHER ENACTED, That Section(s) 19-137 of Article - Health - General of the Annotated Code of e Section(s) 19-136 through 19-138, respectively.				

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 2 July 1, 2000.