

SENATE BILL 325

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SB 267/99 - FIN

2000 Regular Session
0lr1919

By: **Senator Dorman**

Introduced and read first time: February 2, 2000

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Maintenance Organizations - Patient Access to Choice of Provider**

3 FOR the purpose of altering certain standards of care for health maintenance
4 organizations to make them apply to services of nurse practitioners in addition
5 to physicians; requiring health maintenance organizations to designate certain
6 providers as primary care providers; defining certain terms; and generally
7 relating to health maintenance organizations.

8 BY repealing and reenacting, without amendments,
9 Article - Health - General
10 Section 19-701(a), (h), and (i)
11 Annotated Code of Maryland
12 (1996 Replacement Volume and 1999 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - Health - General
15 Section 19-701(f)
16 Annotated Code of Maryland
17 (1996 Replacement Volume and 1999 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - Health - General
20 Section 19-705.1(b)
21 Annotated Code of Maryland
22 (1996 Replacement Volume and 1999 Supplement)
23 (As enacted by Chapters 127 and 128 of the Acts of the General Assembly of
24 1999)

25 Preamble

26 WHEREAS, The 1997 federal budget bill contains provisions allowing direct
27 Medicare reimbursement to nurse practitioners regardless of geographic setting; and

1 WHEREAS, The new Maryland Medicaid Program, known as "HealthChoice"
2 has recognized nurse practitioners as primary care providers; and

3 WHEREAS, The Maryland General Assembly passed Chapter 605 of the Acts of
4 1995, better known as the "Patient Access Act", which provided health maintenance
5 organization (HMO) members or subscribers greater access and choice of providers;
6 and

7 WHEREAS, The intent of the Maryland General Assembly is to support health
8 care providers who are practicing as their licenses allow; and

9 WHEREAS, The intent of the Maryland General Assembly is to allow members
10 or subscribers of HMOs the most choice in selecting a primary care provider; and

11 WHEREAS, This legislation is not intended to interfere with the current
12 relationship between physicians and nurse practitioners; and

13 WHEREAS, The intent of the Maryland General Assembly is to clarify the laws
14 of Maryland as they relate to allowing members or subscribers of HMOs the greatest
15 amount of choice in selecting a primary care provider for the provision of their health
16 care needs; now, therefore,

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

19 **Article - Health - General**

20 19-701.

21 (a) In this subtitle the following words have the meanings indicated.

22 (f) "Health maintenance organization" means any person, including a profit
23 or nonprofit corporation organized under the laws of any state or country, that:

24 (1) Operates or proposes to operate in this State;

25 (2) Except as provided in § 19-703(b) and (f) of this subtitle, provides or
26 otherwise makes available to its members health care services that include at least
27 physician, hospitalization, laboratory, X-ray, emergency, and preventive services,
28 out-of-area coverage, and any other health care services that the Commissioner
29 determines to be available generally on an insured or prepaid basis in the area
30 serviced by the health maintenance organization, and, at the option of the health
31 maintenance organization, may provide additional coverage;

32 (3) Except for any copayment or deductible arrangement, is compensated
33 only on a predetermined periodic rate basis for providing to members the minimum
34 services that are specified in item (2) of this subsection;

35 (4) Assures its subscribers and members, the Commissioner, and the
36 Department that one clearly specified legal and administrative focal point or element

1 of the health maintenance organization has the responsibility of providing the
2 availability, accessibility, quality, and effective use of comprehensive health care
3 services; and

4 (5) Primarily provides services of physicians OR NURSE PRACTITIONERS:

5 (i) Directly through physicians OR NURSE PRACTITIONERS who
6 are either employees or partners of the health maintenance organization; or

7 (ii) Under arrangements with one or more groups of physicians OR
8 NURSE PRACTITIONERS, who are organized on a group practice or individual practice
9 basis, under which each group:

10 1. Is compensated for its services primarily on the basis of an
11 aggregate fixed sum or on a per capita basis; and

12 2. Is provided with an effective incentive to avoid
13 unnecessary inpatient use, whether the individual physician OR NURSE
14 PRACTITIONER members of the group are paid on a fee-for-service or other basis.

15 (h) "Provider" means any person, including a physician or hospital, who is
16 licensed or otherwise authorized in this State to provide health care services.

17 (i) "Subscriber" means a person who makes a contract with a health
18 maintenance organization, either directly or through an insurer or marketing
19 organization, under which the person or other designated persons are entitled to the
20 health care services.

21 19-705.1.

22 (b) The standards of quality of care shall include:

23 (1) (i) A requirement that a health maintenance organization shall
24 provide for regular hours during which a member may receive services, including
25 providing for services to a member in a timely manner that takes into account the
26 immediacy of need for services; and

27 (ii) Provisions for assuring that all covered services, including any
28 services for which the health maintenance organization has contracted, are accessible
29 to the enrollee with reasonable safeguards with respect to geographic locations;

30 (2) A requirement that a health maintenance organization shall have a
31 system for providing a member with 24-hour access to a physician in cases where
32 there is an immediate need for medical services, and for promoting timely access to
33 and continuity of health care services for members, including:

34 (i) Providing 24-hour access by telephone to a person who is able
35 to appropriately respond to calls from members and providers concerning after-hours
36 care; and

1 (ii) Providing a 24-hour toll free telephone access system for use in
2 hospital emergency departments in accordance with § 19-705.7 of this subtitle;

3 (3) A requirement that any nonparticipating provider shall submit to the
4 health maintenance organization the appropriate documentation of the medical
5 complaint of the member and the services rendered;

6 (4) A requirement that a health maintenance organization shall have a
7 physician OR NURSE PRACTITIONER available at all times to provide diagnostic and
8 treatment services;

9 (5) A requirement that a health maintenance organization shall assure
10 that:

11 (i) Each member who is seen for a medical complaint is evaluated
12 under the direction of a physician OR NURSE PRACTITIONER; and

13 (ii) Each member who receives diagnostic evaluation or treatment
14 is under the direct medical management of a health maintenance organization
15 physician who provides continuing medical management;

16 (6) A requirement that each member shall have an opportunity to select
17 a primary physician OR NURSE PRACTITIONER from among those available to the
18 health maintenance organization; [and]

19 (7) A REQUIREMENT THAT A HEALTH MAINTENANCE ORGANIZATION
20 SHALL DESIGNATE WHICH PHYSICIANS OR NURSE PRACTITIONERS AMONG THOSE
21 AVAILABLE TO THE HEALTH MAINTENANCE ORGANIZATION MAY BE CLASSIFIED AS
22 PRIMARY CARE PROVIDERS; AND

23 (8) A requirement that a health maintenance organization print, in any
24 directory of participating providers or hospitals, in a conspicuous manner, the
25 address, telephone number, and facsimile number of the State agency that members,
26 enrollees, and insureds may call to discuss quality of care issues, life and health
27 insurance complaints, and assistance in resolving billing and payment disputes with
28 the health plan or health care provider, as follows:

29 (i) For quality of care issues and life and health care insurance
30 complaints, the Maryland Insurance Administration; and

31 (ii) For assistance in resolving a billing or payment dispute with
32 the health plan or a health care provider, the Health Education and Advocacy Unit of
33 the Consumer Protection Division of the Office of the Attorney General.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 2000.