
By: **Delegate Smigiel**
Introduced and read first time: February 26, 2003
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Health and Mental Hygiene - Managed Care Organizations -**
3 **Specialty Care Networks**

4 FOR the purpose of requiring the Department of Health and Mental Hygiene to adopt
5 regulations in consultation with certain entities that establish certain measures
6 regarding specialty care services, require managed care organizations to
7 maintain certain networks, develop and implement a certain method for certain
8 monitoring of managed care organizations, establish certain consequences, and
9 establish certain measures that managed care organizations shall adopt to
10 provide certain recipients certain access to certain specialists, ensure certain
11 referrals are received in a certain time period, and ensure certain claims meet
12 certain requirements; requiring the Department to adopt certain regulations by
13 a certain date; requiring the Department to submit certain reports to the
14 General Assembly on or before certain dates; and generally relating to
15 regulations regarding specialty care networks.

16 BY repealing and reenacting, without amendments,
17 Article - Health - General
18 Section 15-101(a), (f), (i), and (j)
19 Annotated Code of Maryland
20 (2000 Replacement Volume and 2002 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article - Health - General
23 Section 15-103(b)(13)
24 Annotated Code of Maryland
25 (2000 Replacement Volume and 2002 Supplement)

26 Preamble

27 WHEREAS, Adequate access to specialty care is essential to meeting the health
28 care needs of Medical Assistance Program and Children's Health Insurance Program
29 recipients; and

1 WHEREAS, Maryland's HealthChoice Program is required to comply with
2 certain federal requirements, such as establishing standards for access to care and
3 ensuring that managed care organizations (MCOs) have established provider
4 networks sufficient to provide adequate access, including geographic access, to all
5 covered services including specialty care; and

6 WHEREAS, The Department of Health and Mental Hygiene is required under
7 federal law to ensure that the MCOs comply with the established State standards
8 concerning access; and

9 WHEREAS, State law currently requires HealthChoice MCOs to assure
10 necessary provider capacity in all geographic areas in which the MCO is authorized to
11 enroll members; and

12 WHEREAS, There are currently no State regulations establishing standards for
13 adequacy of access to specialty care within the HealthChoice MCO networks or a
14 system by which compliance with these standards would be monitored and enforced;
15 and

16 WHEREAS, HealthChoice MCO enrollees, especially those living outside of
17 urban areas, currently lack adequate access to specialty care; now, therefore,

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

20 **Article - Health - General**

21 15-101.

22 (a) In this title the following words have the meanings indicated.

23 (f) "Managed care organization" means:

24 (1) A certified health maintenance organization that is authorized to
25 receive medical assistance prepaid capitation payments; or

26 (2) A corporation that:

27 (i) Is a managed care system that is authorized to receive medical
28 assistance prepaid capitation payments;

29 (ii) Enrolls only program recipients or individuals or families
30 served under the Maryland Children's Health Program; and

31 (iii) Is subject to the requirements of § 15-102.4 of this title.

32 (i) "Program" means the Maryland Medical Assistance Program.

33 (j) "Program recipient" means an individual who receives benefits under the
34 Program.

1 15-103.

2 (b) (13) The Department shall:

3 (i) Establish and maintain an ombudsman program and a locally
4 accessible enrollee hotline;

5 (ii) Perform focused medical reviews of managed care organizations
6 that include reviews of how the managed care organizations are providing health care
7 services to special populations;

8 (iii) Provide timely feedback to each managed care organization on
9 its compliance with the Department's quality and access system;

10 (iv) Establish and maintain within the Department a process for
11 handling provider complaints about managed care organizations; [and]

12 (v) Adopt regulations relating to appeals by managed care
13 organizations of penalties imposed by the Department, including regulations
14 providing for an appeal to the Office of Administrative Hearings; AND

15 (VI) ADOPT REGULATIONS, IN CONSULTATION WITH
16 HEALTHCHOICE PROVIDERS, BENEFICIARY ADVOCATES, AND MANAGED CARE
17 ORGANIZATIONS, THAT:

18 1. ESTABLISH MEASURABLE STANDARDS FOR THE
19 ADEQUACY OF AND ACCESS TO SPECIALTY CARE NETWORKS TO ENSURE THAT
20 SPECIALTY CARE SERVICES ARE ACCESSIBLE TO PROGRAM RECIPIENTS WITHIN
21 REASONABLE GEOGRAPHICAL DISTANCES AND WITHOUT UNREASONABLE DELAY;

22 2. REQUIRE MANAGED CARE ORGANIZATIONS TO MAINTAIN
23 SPECIALTY CARE NETWORKS THAT MEET THE MEASURABLE STANDARDS FOR
24 ADEQUACY AND ACCESS;

25 3. DEVELOP AND IMPLEMENT A METHOD BY WHICH THE
26 DEPARTMENT WILL CONTINUOUSLY MONITOR MANAGED CARE ORGANIZATIONS'
27 COMPLIANCE WITH THE MEASURABLE STANDARDS FOR ADEQUACY AND ACCESS;

28 4. ESTABLISH CONSEQUENCES FOR MANAGED CARE
29 ORGANIZATIONS THAT FAIL TO COMPLY WITH THE MEASURABLE STANDARDS FOR
30 ADEQUACY AND ACCESS; AND

31 5. ESTABLISH MEASURES THAT MANAGED CARE
32 ORGANIZATIONS SHALL ADOPT TO:

33 A. PROVIDE PROGRAM RECIPIENTS WITH ACCESS TO
34 OUT-OF-NETWORK SPECIALISTS IN THE EVENT THAT A MANAGED CARE
35 ORGANIZATION DOES NOT HAVE IN-NETWORK SPECIALISTS WITHIN 30 MILES OF
36 THE PROGRAM RECIPIENT'S RESIDENCE;

1 B. ENSURE THAT PROGRAM RECIPIENTS RECEIVE
2 REFERRALS OR AUTHORIZATIONS TO SEE NEEDED OUT-OF-NETWORK SPECIALISTS
3 WITHIN THE SAME PERIOD OF TIME REQUIRED FOR IN-NETWORK REFERRALS; AND

4 C. ENSURE THAT CLAIMS FROM OUT-OF-NETWORK
5 SPECIALISTS ARE PAID AS REQUIRED UNDER § 15-1005 OF THE INSURANCE ARTICLE.

6 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of
7 Health and Mental Hygiene shall:

8 (1) adopt regulations required under this Act by October 1, 2003; and

9 (2) report to the General Assembly, subject to § 2-1246 of the State
10 Government Article, on or before October 1, 2003 and every 6 months thereafter on
11 the adequacy of HealthChoice specialty care provider networks.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 June 1, 2003.