

SENATE BILL 687

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2003 Regular Session  
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By: **Senators Hollinger, Astle, Brochin, Conway, DeGrange, Dyson, Exum, Forehand, Frosh, Giannetti, Green, Grosfeld, Hafer, Haines, Hooper, Hughes, Jimeno, Jones, Klausmeier, Kramer, Middleton, Ruben, Stoltzfus, Stone, and ~~Teitelbaum~~ Teitelbaum, Della, Gladden, Kelley, and Pipkin**

Introduced and read first time: February 14, 2003  
Assigned to: Rules  
Re-referred to: Finance, February 20, 2003

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 21, 2003

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CHAPTER \_\_\_\_\_

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 by requiring those standards to include a requirement that a  
5 health maintenance organization shall assure that each member shall have the  
6 opportunity to select a certified nurse practitioner from those available to the  
7 health maintenance organization; authorizing the members of a health  
8 maintenance organization to select a certified nurse practitioner as the  
9 member's primary care provider under certain circumstances; providing that a  
10 member who selects a certified nurse practitioner as a primary care provider  
11 shall be provided certain information about the nurse practitioner's  
12 collaborating physician; providing for the construction of this Act; and generally  
13 relating to health maintenance organizations and certified nurse practitioners.

14 BY repealing and reenacting, with amendments,  
15 Article - Health - General  
16 Section 19-705.1  
17 Annotated Code of Maryland  
18 (2000 Replacement Volume and 2002 Supplement)

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

1

**Article - Health - General**

2 19-705.1.

3 (a) The Secretary shall adopt regulations that set out reasonable standards of  
4 quality of care that a health maintenance organization shall provide to its members.

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

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

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

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

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

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

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

25 (4) A requirement that a health maintenance organization shall have a  
26 physician available at all times to provide diagnostic and treatment services;

27 (5) A requirement that a health maintenance organization shall assure  
28 that:

29 (i) Each member who is seen for a medical complaint is evaluated  
30 under the direction of a physician; and

31 (ii) Each member who receives diagnostic evaluation or treatment  
32 is under the [direct] medical management of a health maintenance organization  
33 physician who provides continuing medical management;

34 (6) A requirement that each member shall have an opportunity to select  
35 a primary physician OR A CERTIFIED NURSE PRACTITIONER from among those  
36 available to the health maintenance organization; and

1           (7)     A requirement that a health maintenance organization print, in any  
2 directory of participating providers or hospitals, in a conspicuous manner, the  
3 address, telephone number, and facsimile number of the State agency that members,  
4 enrollees, and insureds may call to discuss quality of care issues, life and health  
5 insurance complaints, and assistance in resolving billing and payment disputes with  
6 the health plan or health care provider, as follows:

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

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

12       (C)     (1)     A MEMBER MAY SELECT A CERTIFIED NURSE PRACTITIONER AS THE  
13 MEMBER'S PRIMARY CARE PROVIDER IF:

14           (I)     THE CERTIFIED NURSE PRACTITIONER PROVIDES SERVICES AT  
15 THE SAME LOCATION AS THE CERTIFIED NURSE PRACTITIONER'S COLLABORATING  
16 PHYSICIAN; AND

17           (II)    THE COLLABORATING PHYSICIAN PROVIDES THE CONTINUING  
18 MEDICAL MANAGEMENT REQUIRED UNDER SUBSECTION (B)(5) OF THIS SECTION.

19       (2)     A MEMBER WHO SELECTS A CERTIFIED NURSE PRACTITIONER AS A  
20 PRIMARY CARE PROVIDER SHALL BE PROVIDED THE NAME AND CONTACT  
21 INFORMATION OF THE CERTIFIED NURSE PRACTITIONER'S COLLABORATING  
22 PHYSICIAN.

23       (3)     THIS SUBSECTION MAY NOT BE CONSTRUED TO REQUIRE THAT A  
24 HEALTH MAINTENANCE ORGANIZATION INCLUDE CERTIFIED NURSE  
25 PRACTITIONERS ON THE HEALTH MAINTENANCE ORGANIZATION'S PROVIDER PANEL  
26 AS PRIMARY CARE PROVIDERS.

27       [(c)]   (D)     (1)     The health maintenance organization shall make available and  
28 encourage appropriate history and baseline examinations for each member within a  
29 reasonable time of enrollment set by it.

30           (2)     Medical problems that are a potential hazard to the person's health  
31 shall be identified and a course of action to alleviate these problems outlined.

32           (3)     Progress notes indicating success or failure of the course of action  
33 shall be recorded.

34           (4)     The health maintenance organization shall:

35           (i)     Offer or arrange for preventive services that include health  
36 education and counseling, early disease detection, immunization, and hearing loss  
37 screening of newborns provided by a hospital before discharge;

1 (ii) Develop or arrange for periodic health education on subjects  
2 which impact on the health status of a member population; and

3 (iii) Notify every member in writing of the availability of these and  
4 other preventive services.

5 (5) The health maintenance organization shall offer services to prevent a  
6 disease if:

7 (i) The disease produces death or disability and exists in the  
8 member population;

9 (ii) The etiology of the disease is known or the disease can be  
10 detected at an early stage; and

11 (iii) Any elimination of factors leading to the disease or  
12 immunization has been proven to prevent its occurrence, or early disease detection  
13 followed by behavior modification, environmental modification, or medical  
14 intervention has been proven to prevent death or disability.

15 [(d)] (E) (1) To implement these standards of quality of care, a health  
16 maintenance organization shall have a written plan that is updated and reviewed at  
17 least every 3 years.

18 (2) The plan shall include the following information:

19 (i) Statistics on age, sex, and other general demographic data used  
20 to determine the health care needs of its population;

21 (ii) Identification of the major health problems in the member  
22 population;

23 (iii) Identification of any special groups of members that have  
24 unique health problems, such as the poor, the elderly, the mentally ill, and  
25 educationally disadvantaged; and

26 (iv) A description of community health resources and how they will  
27 be used.

28 (3) The health maintenance organization shall state its priorities and  
29 objectives in writing, describing how the priorities and objectives relating to the  
30 health problems and needs of the member population will be provided for.

31 (4) (i) The health maintenance organization shall provide at the time  
32 membership is solicited a general description of the benefits and services available to  
33 its members, including benefit limitations and exclusions, location of facilities or  
34 providers, and procedures to obtain medical services.

35 (ii) The health maintenance organization shall place the following  
36 statement, in bold print, on every enrollment card or application: "If you have any

1 questions concerning the benefits and services that are provided by or excluded under  
2 this agreement, please contact a membership services representative before signing  
3 this application or card".

4 (5) The plan shall contain evidence that:

5 (i) The programs and services offered are based on the health  
6 problems of and the community health services available to its member population;

7 (ii) There is an active program for preventing illness, disability, and  
8 hospitalization among its members; and

9 (iii) The services designed to prevent the major health problems  
10 identified among child and adult members and to improve their general health are  
11 provided by the health maintenance organization.

12 [(e)] (F) (1) The health maintenance organization shall have an internal  
13 peer review system that will evaluate the utilization services and the quality of  
14 health care provided to its members.

15 (2) The review system shall:

16 (i) Provide for review by appropriate health professionals of the  
17 process followed in the provision of health services;

18 (ii) Use systematic data collection of performances and patient  
19 results;

20 (iii) Provide interpretation of this data to the practitioners;

21 (iv) Review and update continuing education programs for health  
22 professionals providing services to its members;

23 (v) Identify needed change and proposed modifications to  
24 implement the change; and

25 (vi) Maintain written records of the internal peer review process.

26 [(f)] (G) (1) Except as provided in paragraph (5) of this subsection, the  
27 Department shall conduct an annual external review of the quality of the health  
28 services of the health maintenance organization in a manner that the Department  
29 considers to be appropriate.

30 (2) The external review shall be conducted by:

31 (i) A panel of physicians and other health professionals that  
32 consists of persons who:

33 1. Have been approved by the Department;

- 1                            2.        Have substantial experience in the delivery of health care  
2 in a health maintenance organization setting, but who are not members of the health  
3 maintenance organization staff or performing professional services for the health  
4 maintenance organization; and
- 5                            3.        Reside outside the area serviced by the health  
6 maintenance organization;
- 7                         (ii)      The Department; or
- 8                         (iii)     A federally approved professional standards review  
9 organization.
- 10                    (3)      The final decision on the type of external review that is to be  
11 employed rests solely with the Secretary.
- 12                    (4)      The external review shall consist of a review and evaluation of:
- 13                    (i)      An internal peer review system and reports;
- 14                    (ii)     The program plan of the health maintenance organization to  
15 determine if it is adequate and being followed;
- 16                    (iii)    The professional standards and practices of the health  
17 maintenance organization in every area of services provided;
- 18                    (iv)    The grievances relating specifically to the delivery of medical  
19 care, including their final disposition;
- 20                    (v)     The physical facilities and equipment; and
- 21                    (vi)    A statistically representative sample of member records.
- 22                    (5)     (i)      The Secretary may accept all or part of a report of an approved  
23 accrediting organization as meeting the external review requirements under this  
24 subtitle.
- 25                    (ii)    Except as provided in subparagraph (iii) of this paragraph, a  
26 report of an approved accrediting organization used by the Department as meeting  
27 the external review requirements under this subtitle shall be made available to the  
28 public on request.
- 29                    (iii)    The Department may not disclose and shall treat as  
30 confidential all confidential commercial and financial information contained in a  
31 report of an approved accrediting organization in accordance with § 10-617(d) of the  
32 State Government Article.
- 33                    (iv)    The Department may inspect a facility of a health maintenance  
34 organization to:

- 1  
2 established under this subtitle;
  - 3  
4 accrediting organization; or
  - 5
1. Determine compliance with any quality requirement
  2. Follow up on a serious problem identified by an approved
  3. Investigate a complaint.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 October 1, 2003.