

SENATE BILL 709

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2003 Regular Session
3lr2328
CF 3lr2270

By: **Senators Gladden, Astle, Conway, Exum, and Grosfeld**

Introduced and read first time: February 21, 2003

Assigned to: Rules

Re-referred to: Finance, February 26, 2003

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 23, 2003

CHAPTER _____

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 and authorizations are received in a certain time period, and ensure
12 certain claims meet certain requirements; requiring the Department to adopt
13 certain regulations by a certain date; requiring the Department to submit
14 certain reports to the General Assembly on or before certain dates; and
15 generally relating to 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

1 (2000 Replacement Volume and 2002 Supplement)

2 Preamble

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

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

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

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

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

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

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

25 **Article - Health - General**

26 15-101.

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

28 (f) "Managed care organization" means:

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

31 (2) A corporation that:

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

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

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

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

5 (j) "Program recipient" means an individual who receives benefits under the
6 Program.

7 15-103.

8 (b) (13) The Department shall:

9 (i) Establish and maintain an ombudsman program and a locally
10 accessible enrollee hotline;

11 (ii) Perform focused medical reviews of managed care organizations
12 that include reviews of how the managed care organizations are providing health care
13 services to special populations;

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

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

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

21 (VI) ADOPT REGULATIONS, IN CONSULTATION WITH
22 HEALTHCHOICE PROVIDERS, BENEFICIARY ADVOCATES, AND MANAGED CARE
23 ORGANIZATIONS, THAT:

24 1. ESTABLISH MEASURABLE STANDARDS FOR THE
25 ADEQUACY OF AND ACCESS TO SPECIALTY CARE NETWORKS TO ENSURE THAT
26 SPECIALTY CARE SERVICES ARE ACCESSIBLE TO PROGRAM RECIPIENTS WITHIN
27 REASONABLE GEOGRAPHICAL DISTANCES AND WITHOUT UNREASONABLE DELAY;

28 2. REQUIRE MANAGED CARE ORGANIZATIONS TO MAINTAIN
29 SPECIALTY CARE NETWORKS THAT MEET THE MEASURABLE STANDARDS FOR
30 ADEQUACY AND ACCESS;

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

34 4. ESTABLISH CONSEQUENCES FOR MANAGED CARE
35 ORGANIZATIONS THAT FAIL TO COMPLY WITH THE MEASURABLE STANDARDS FOR
36 ADEQUACY AND ACCESS; AND

