
By: **Delegates Nathan-Pulliam, Barve, Benson, Costa, Goldwater, Hubbard,
Jones, Kach, Kohl, Mandel, Morhaim, Murray, Oaks, and V. Turner**

Introduced and read first time: March 6, 2006

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Care Commission - Racial Variations Data -**
3 **Nondiscrimination in Health Insurance**

4 FOR the purpose of requiring the Maryland Health Care Commission to include
5 certain racial variations in certain systems to evaluate the quality of care
6 outcomes and performance measurements of certain health maintenance
7 organization benefit plans, nursing facilities, and hospitals and ambulatory
8 surgical facilities; prohibiting the use of certain racial variations information to
9 deny or otherwise affect a health insurance policy or contract; and generally
10 relating to the collection and use of racial variations data.

11 BY repealing and reenacting, with amendments,
12 Article - Health - General
13 Section 19-134(c) through (e)
14 Annotated Code of Maryland
15 (2005 Replacement Volume and 2005 Supplement)

16 BY adding to
17 Article - Insurance
18 Section 27-914
19 Annotated Code of Maryland
20 (2002 Replacement Volume and 2005 Supplement)

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

23 **Article - Health - General**

24 19-134.

25 (c) (1) The Commission shall:

1 (i) Establish and implement a system to comparatively evaluate
2 the quality of care outcomes and performance measurements of health maintenance
3 organization benefit plans and services on an objective basis; and

4 (ii) Annually publish the summary findings of the evaluation.

5 (2) The purpose of a comparable performance measurement system
6 established under this subsection is to assist health maintenance organization benefit
7 plans to improve the quality of care provided by establishing a common set of
8 performance measurements and disseminating the findings of the performance
9 measurements to health maintenance organizations and interested parties.

10 (3) The system, where appropriate, shall:

11 (I) [solicit] SOLICIT performance information from enrollees of
12 health maintenance organizations; AND

13 (II) TO THE EXTENT FEASIBLE, INCORPORATE INFORMATION ON
14 RACIAL VARIATIONS.

15 (4) (i) The Commission shall adopt regulations to establish the system
16 of evaluation provided under this subsection.

17 (ii) Before adopting regulations to implement an evaluation system
18 under this subsection, the Commission shall consider any recommendations of the
19 quality of care subcommittee of the Group Health Association of America and the
20 National Committee for Quality Assurance.

21 (5) The Commission may contract with a private, nonprofit entity to
22 implement the system required under this subsection provided that the entity is not
23 an insurer.

24 (6) The annual evaluation summary required under paragraph (1) of this
25 subsection shall:

26 (i) Include a summary of the Drug Formulary Accreditation
27 Standards of the National Committee for Quality Assurance (NCQA); [and]

28 (ii) Indicate whether the formulary development process of each
29 health maintenance organization evaluated complies with the National Committee
30 for Quality Assurance (NCQA) accreditation standards; AND

31 (III) INCLUDE TO THE EXTENT FEASIBLE INFORMATION ON RACIAL
32 VARIATIONS.

33 (d) (1) The Commission, in consultation with the Department of Health and
34 Mental Hygiene and the Department of Aging, shall:

1 (i) On or before July 1, 2001, develop and implement a system to
2 comparatively evaluate the quality of care and performance of nursing facilities on an
3 objective basis; and

4 (ii) Annually publish the summary findings of the evaluation.

5 (2) (i) The purpose of the comparative evaluation system established
6 under this subsection is to improve the quality of care provided by nursing facilities
7 by establishing a common set of performance measures and disseminating the
8 findings of the comparative evaluation to nursing facilities, consumers, and other
9 interested parties.

10 (ii) In developing the comparative evaluation system, the
11 Commission shall consider the health status of the population served.

12 (3) (I) The system, as appropriate, shall solicit performance
13 information from consumers and their families.

14 (II) THE SYSTEM SHALL INCORPORATE INFORMATION ON RACIAL
15 VARIATIONS.

16 (4) The Commission may adopt regulations to establish the comparative
17 evaluation system provided under this subsection.

18 (e) (1) The Commission may:

19 (i) On or before July 1, 2001, develop and implement a system to
20 comparatively evaluate the quality of care outcomes and performance measurements
21 of hospitals and ambulatory surgical facilities on an objective basis; and

22 (ii) Annually publish the summary findings of the evaluation.

23 (2) (i) The purpose of a comparable performance measurement system
24 established under this subsection is to improve the quality of care provided by
25 hospitals and ambulatory surgical facilities by establishing a common set of
26 performance measurements and disseminating the findings of the performance
27 measurements to hospitals, ambulatory surgical facilities, consumers, and interested
28 parties.

29 (ii) In developing the performance measurement system, the
30 Commission shall consider the geographic location, urban or rural orientation, and
31 teaching or nonteaching status of the hospital and the ambulatory surgical facilities,
32 and the health status of the population served.

33 (3) (I) The system, where appropriate, shall solicit performance
34 information from consumers.

35 (II) THE SYSTEM SHALL INCORPORATE INFORMATION ON RACIAL
36 VARIATIONS.

1 (4) (i) The Commission may adopt regulations to establish the system
2 of evaluation provided under this subsection.

3 (ii) Before adopting regulations to implement an evaluation system
4 under this subsection, the Commission shall:

5 1. Consider the performance measurements of appropriate
6 accreditation organizations, State licensure regulations, Medicare certification
7 regulations, the quality indicator project of the Association of Maryland Hospitals and
8 Health Systems, and any other relevant performance measurements;

9 2. Evaluate the desirability and feasibility of developing a
10 consumer clearinghouse on health care information using existing available data; and

11 3. On or before January 1, 2001, report to the General
12 Assembly, subject to § 2-1246 of the State Government Article, on any performance
13 evaluation developed under this subsection.

14 (5) The Commission may contract with a private entity to implement the
15 system required under this subsection provided that the entity is not a hospital or an
16 ambulatory surgical facility.

17 **Article - Insurance**

18 27-914.

19 (A) THIS SECTION DOES NOT APPLY TO LIFE INSURANCE POLICIES, ANNUITY
20 CONTRACTS, LONG-TERM CARE INSURANCE POLICIES, OR DISABILITY INSURANCE
21 POLICIES.

22 (B) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH
23 MAINTENANCE ORGANIZATION MAY NOT USE RACIAL VARIATIONS DATA COLLECTED
24 UNDER § 19-134 OF THE HEALTH - GENERAL ARTICLE TO REJECT, DENY, LIMIT,
25 CANCEL, REFUSE TO RENEW, INCREASE THE RATES OF, AFFECT THE TERMS OR
26 CONDITIONS OF, OR OTHERWISE AFFECT A HEALTH INSURANCE POLICY OR
27 CONTRACT.

28 (C) (1) FOR PURPOSES OF THIS SUBSECTION, §§ 4-113, 4-114, 27-501, AND
29 27-505 OF THIS ARTICLE APPLY TO NONPROFIT HEALTH SERVICE PLANS AND
30 HEALTH MAINTENANCE ORGANIZATIONS.

31 (2) THE COMMISSIONER MAY ISSUE AN ORDER UNDER §§ 4-113, 4-114,
32 27-501, AND 27-505 OF THIS ARTICLE IF THE COMMISSIONER FINDS A VIOLATION OF
33 THIS SECTION.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, 2006.