
By: **Senators Conway and McFadden**

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Committee Report: Favorable with amendments

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Read second time: March 30, 2006

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of requiring the Maryland Health Care Commission to include
5 certain racial and ethnic variations in certain systems to evaluate the quality of
6 care 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 or ethnic variations
9 information to deny or otherwise affect a health insurance policy or contract;
10 providing that the provisions of certain insurance laws apply to health
11 maintenance organizations; and generally relating to the collection and use of
12 racial and ethnic variations data.

13 BY repealing and reenacting, with amendments,
14 Article - Health - General
15 Section 19-134(c) through (e)
16 Annotated Code of Maryland
17 (2005 Replacement Volume and 2005 Supplement)

18 BY adding to
19 Article - Health - General
20 Section 19-706(ggg)
21 Annotated Code of Maryland
22 (2005 Replacement Volume and 2005 Supplement)

23 BY adding to

1 Article - Insurance
2 Section 27-914
3 Annotated Code of Maryland
4 (2002 Replacement Volume and 2005 Supplement)

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

7 **Article - Health - General**

8 19-134.

9 (c) (1) The Commission shall:

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

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

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

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

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

22 (II) TO THE EXTENT FEASIBLE, INCORPORATE INFORMATION ON
23 RACIAL AND ETHNIC VARIATIONS.

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

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

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

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

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

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

6 (III) INCLUDE TO THE EXTENT FEASIBLE INFORMATION ON RACIAL
7 AND ETHNIC VARIATIONS.

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

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

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

14 (2) (i) The purpose of the comparative evaluation system established
15 under this subsection is to improve the quality of care provided by nursing facilities
16 by establishing a common set of performance measures and disseminating the
17 findings of the comparative evaluation to nursing facilities, consumers, and other
18 interested parties.

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

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

23 (II) TO THE EXTENT FEASIBLE, THE SYSTEM SHALL INCORPORATE
24 INFORMATION ON RACIAL AND ETHNIC VARIATIONS.

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

27 (e) (1) The Commission may:

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

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

32 (2) (i) The purpose of a comparable performance measurement system
33 established under this subsection is to improve the quality of care provided by
34 hospitals and ambulatory surgical facilities by establishing a common set of
35 performance measurements and disseminating the findings of the performance

1 measurements to hospitals, ambulatory surgical facilities, consumers, and interested
2 parties.

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

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

9 (II) TO THE EXTENT FEASIBLE, THE SYSTEM SHALL INCORPORATE
10 INFORMATION ON RACIAL AND ETHNIC VARIATIONS.

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

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

15 1. Consider the performance measurements of appropriate
16 accreditation organizations, State licensure regulations, Medicare certification
17 regulations, the quality indicator project of the Association of Maryland Hospitals and
18 Health Systems, and any other relevant performance measurements;

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

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

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

27 19-706.

28 (GGG) (1) THE PROVISIONS OF § 27-914 OF THE INSURANCE ARTICLE APPLY TO
29 HEALTH MAINTENANCE ORGANIZATIONS.

30 (2) FOR PURPOSES OF § 27-914(C) OF THE INSURANCE ARTICLE, §§ 4-113,
31 4-114, 27-501, AND 27-505 OF THE INSURANCE ARTICLE APPLY TO HEALTH
32 MAINTENANCE ORGANIZATIONS.

1

Article - Insurance

2 27-914.

3 (A) THIS SECTION DOES NOT APPLY TO LIFE INSURANCE POLICIES, ANNUITY
4 CONTRACTS, LONG-TERM CARE INSURANCE POLICIES, OR DISABILITY INSURANCE
5 POLICIES.

6 (B) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH
7 MAINTENANCE ORGANIZATION MAY NOT USE RACIAL OR ETHNIC VARIATIONS DATA
8 COLLECTED UNDER § 19-134 OF THE HEALTH - GENERAL ARTICLE TO REJECT, DENY,
9 LIMIT, CANCEL, REFUSE TO RENEW, INCREASE THE RATES OF, AFFECT THE TERMS
10 OR CONDITIONS OF, OR OTHERWISE AFFECT A HEALTH INSURANCE POLICY OR
11 CONTRACT.

12 (C) (1) FOR PURPOSES OF THIS SUBSECTION, §§ 4-113, 4-114, 27-501, AND
13 27-505 OF THIS ARTICLE APPLY TO NONPROFIT HEALTH SERVICE PLANS AND
14 HEALTH MAINTENANCE ORGANIZATIONS.

15 (2) THE COMMISSIONER MAY ISSUE AN ORDER UNDER §§ 4-113, 4-114,
16 27-501, AND 27-505 OF THIS ARTICLE IF THE COMMISSIONER FINDS A VIOLATION OF
17 THIS SECTION.

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