

SENATE BILL 269

J1
SB 1043/06 – FIN

71r0918

By: **Senator Conway**
Introduced and read first time: January 30, 2007
Assigned to: Finance

A BILL ENTITLED

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, hospitals, and ambulatory surgical
8 facilities; prohibiting the use of certain racial or ethnic variations information to
9 deny or otherwise affect a health insurance policy or contract; providing that the
10 provisions of certain insurance laws apply to health maintenance organizations;
11 and generally relating to the collection and use of racial and ethnic variations
12 data.

13 BY repealing and reenacting, with amendments,
14 Article – Health – General
15 Section 19–134(c) and (d)
16 Annotated Code of Maryland
17 (2005 Replacement Volume and 2006 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Health – General
20 Section 19–134(e)
21 Annotated Code of Maryland
22 (2005 Replacement Volume and 2006 Supplement)
23 (As enacted by Chapter 450 of the Acts of the General Assembly of 2006)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Health – General
3 Section 19–706(ggg)
4 Annotated Code of Maryland
5 (2005 Replacement Volume and 2006 Supplement)

6 BY adding to
7 Article – Insurance
8 Section 27–914
9 Annotated Code of Maryland
10 (2006 Replacement Volume and 2006 Supplement)

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

13 **Article – Health – General**

14 19–134.

15 (c) (1) The Commission shall:

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

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

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

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

26 (i) [solicit] **SOLICIT** performance information from enrollees of
27 health maintenance organizations; and

28 (ii) On or before October 1, 2007, to the extent feasible,
29 incorporate **INFORMATION ON** racial and ethnic variations.

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

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

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

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

12 (i) Include a summary of the Drug Formulary Accreditation
13 Standards of the National Committee for Quality Assurance (NCQA);

14 (ii) Indicate whether the formulary development process of each
15 health maintenance organization evaluated complies with the National Committee for
16 Quality Assurance (NCQA) accreditation standards; and

17 (iii) Include to the extent feasible information on racial and
18 ethnic variations.

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

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

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

25 (2) (i) The purpose of the comparative evaluation system
26 established under this subsection is to improve the quality of care provided by nursing
27 facilities by establishing a common set of performance measures and disseminating
28 the findings of the comparative evaluation to nursing facilities, consumers, and other
29 interested parties.

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

1 (3) (i) The system, as appropriate, shall solicit performance
2 information from consumers and their families.

3 (ii) On or before October 1, 2007, to the extent feasible, the
4 system shall incorporate **INFORMATION ON** racial and ethnic variations.

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

7 (e) (1) The Commission may:

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

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

13 (2) (i) The purpose of a comparable performance measurement
14 system established under this subsection is to improve the quality of care provided by
15 hospitals and ambulatory surgical facilities by establishing a common set of
16 performance measurements and disseminating the findings of the performance
17 measurements to hospitals, ambulatory surgical facilities, consumers, and interested
18 parties.

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

23 (3) (i) The system, where appropriate, shall solicit performance
24 information from consumers.

25 (ii) On or before October 1, 2007, to the extent feasible, the
26 system shall incorporate **INFORMATION ON** racial and ethnic variations.

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

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

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

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

8 3. On or before January 1, 2001, report to the General
9 Assembly, subject to § 2–1246 of the State Government Article, on any performance
10 evaluation developed under this subsection.

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

14 (6) (i) The comparable evaluation system established under this
15 subsection shall include health care–associated infection information from hospitals.

16 (ii) The comparable evaluation system shall adhere, to the
17 extent possible, to the current recommendations of the federal Centers for Disease
18 Control and Prevention (CDC) and the CDC Healthcare Infection Control Practices
19 Advisory Committee regarding public reporting of health care–associated infections.

20 19–706.

21 (ggg) (1) The provisions of [§ 15–131] § **27–914** of the Insurance Article
22 apply to health maintenance organizations.

23 **(2) FOR PURPOSES OF § 27–914(C) OF THE INSURANCE ARTICLE,**
24 **§§ 4–113, 4–114, 27–501, AND 27–505 OF THE INSURANCE ARTICLE APPLY TO**
25 **HEALTH MAINTENANCE ORGANIZATIONS.**

26 Article – Insurance

27 **27–914.**

28 **(A) THIS SECTION DOES NOT APPLY TO LIFE INSURANCE POLICIES,**
29 **ANNUITY CONTRACTS, LONG–TERM CARE INSURANCE POLICIES, OR DISABILITY**
30 **INSURANCE POLICIES.**

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

7 **(C) (1) FOR PURPOSES OF THIS SUBSECTION, §§ 4-113 AND 4-114 OF**
8 **THIS ARTICLE AND §§ 27-501 AND 27-505 OF THIS TITLE APPLY TO NONPROFIT**
9 **HEALTH SERVICE PLANS AND HEALTH MAINTENANCE ORGANIZATIONS.**

10 **(2) THE COMMISSIONER MAY ISSUE AN ORDER UNDER §§ 4-113**
11 **AND 4-114 OF THIS ARTICLE AND §§ 27-501 AND 27-505 OF THIS TITLE IF THE**
12 **COMMISSIONER FINDS A VIOLATION OF THIS SECTION.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2007.