

# HOUSE BILL 289

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By: **Delegate Pendergrass**

Introduced and read first time: January 23, 2008

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Task Force on Health Care Access and Reimbursement – Extension**

3 FOR the purpose of extending the date on which the Task Force on Health Care  
4 Access and Reimbursement is required to submit its final report and  
5 recommendations; extending the termination date of the Task Force; and  
6 generally relating to the Task Force on Health Care Access and  
7 Reimbursement.

8 BY repealing and reenacting, with amendments,  
9 Article – Health – General  
10 Section 19–710.3  
11 Annotated Code of Maryland  
12 (2005 Replacement Volume and 2007 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Chapter 505 of the Acts of the General Assembly of 2007  
15 Section 2

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

18 **Article – Health – General**

19 19–710.3.

20 (a) There is a Task Force on Health Care Access and Reimbursement.

21 (b) The Task Force consists of the following members:

22 (1) Two members of the House of Delegates, appointed by the Speaker  
23 of the House;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2) Two members of the Senate of Maryland, appointed by the  
2 President of the Senate;

3           (3) The Secretary of Health and Mental Hygiene;

4           (4) The Attorney General, or the Attorney General's designee;

5           (5) The Insurance Commissioner, or the Insurance Commissioner's  
6 designee;

7           (6) The Secretary of Budget and Management, or the Secretary's  
8 designee; and

9           (7) Six individuals appointed by the Governor.

10          (c) In performing its duties, the Task Force may consult with individuals and  
11 entities that the Secretary of Health and Mental Hygiene deems appropriate.

12          (d) (1) The Secretary of Health and Mental Hygiene shall:

13                   (i) Chair the Task Force;

14                   (ii) Establish subcommittees and appoint subcommittee chairs  
15 as necessary to facilitate the work of the Task Force; and

16                   (iii) Provide staff support for the Task Force from the  
17 Department.

18          (2) To the extent practicable, the members appointed to the Task  
19 Force shall reasonably reflect the geographic, racial, ethnic, cultural, and gender  
20 diversity of the State.

21          (3) In performing its duties, the Task Force shall invite all interested  
22 groups, including physician groups, health care provider specialty groups, employers,  
23 and health insurance carriers, to present testimony or other information to the Task  
24 Force concerning:

25                   (i) The issues to be studied by the Task Force;

26                   (ii) Data on the reimbursements paid to physicians and other  
27 health care providers by health insurance carriers;

28                   (iii) Trends relating to reimbursement rates and total payments  
29 to physicians and other health care providers by health insurance carriers; and

30                   (iv) Data and trends in physician and other health care provider  
31 workforce supply and future demand.

1 (e) The Task Force shall examine:

2 (1) Reimbursement rates and total payments to physicians and other  
3 health care providers by specialty and geographic area and trends in such  
4 reimbursement rates and total payments, including a comparison of reimbursement  
5 rates, total payments, and trends in other states;

6 (2) The impact of changes in reimbursements on access to health care  
7 and on health care disparities, volume of services, and quality of care;

8 (3) The effect of competition on payments to physicians and other  
9 health care providers;

10 (4) The trends for physician and other health care provider shortages  
11 by specialty and geographic area and any impact on health care access and quality  
12 caused by such shortages, including emergency department overcrowding;

13 (5) The amount of uncompensated care being provided by physicians  
14 and other health care providers and the trends in uncompensated care in Maryland  
15 and in other states;

16 (6) The extent to which current reimbursement methods recognize and  
17 reward higher quality of care;

18 (7) Methods used by large purchasers of health care to evaluate  
19 adequacy and cost of provider networks; and

20 (8) (i) The practice by certain health insurance carriers of  
21 requiring health care providers who join a provider network of a carrier to also serve  
22 on a provider network of a different carrier; and

23 (ii) The effect of the practice described in item (i) of this item on  
24 health care provider payments and willingness to serve on provider networks of health  
25 insurance carriers.

26 (f) The Task Force shall develop recommendations regarding:

27 (1) Specific options that are available, given limitations of the federal  
28 ERISA law, to change physician and other health care provider reimbursements, if  
29 needed;

30 (2) The sufficiency of present statutory formulas for the  
31 reimbursement of noncontracting physicians and other health care providers by health  
32 maintenance organizations;

33 (3) Whether the Maryland Insurance Administration and the Attorney  
34 General currently have sufficient authority to regulate rate setting and

1 market-related practices of health insurance carriers that may have the effect of  
2 unreasonably reducing reimbursements;

3 (4) Whether there is a need to enhance the ability of physicians and  
4 other health care providers to negotiate reimbursement rates with health insurance  
5 carriers, without unduly impairing the ability of the carriers to appropriately manage  
6 their provider networks;

7 (5) Whether there is a need to establish a rate-setting system for  
8 physicians and other health care providers similar to the system established to set  
9 hospital rates in Maryland;

10 (6) The advisability of the use of payment methods linked to quality of  
11 care or outcomes; and

12 (7) The need to prohibit a health insurance carrier from requiring  
13 health care providers who join a provider network of the carrier to also serve on a  
14 provider network of a different carrier.

15 (g) (1) The Task Force shall report its findings and recommendations to  
16 the Governor and, subject to § 2-1246 of the State Government Article, to the General  
17 Assembly, on or before December 31, 2007.

18 (2) If the Task Force determines it will not complete its work by  
19 December 31, 2007, the Task Force shall, in the same manner as provided in  
20 paragraph (1) of this subsection:

21 (i) Submit an interim report of its findings and  
22 recommendations on or before December 1, 2007; and

23 (ii) Submit a final report of its findings and recommendations  
24 on or before [June 30, 2008] **DECEMBER 1, 2008**.

25 (3) Notwithstanding paragraph (2) of this subsection, the Task Force  
26 shall submit its findings and recommendations relating to subsection (f)(7) of this  
27 section on or before December 31, 2007.

28 (h) A member of the Task Force may not receive compensation as a member  
29 of the Task Force but is entitled to reimbursement for expenses under the Standard  
30 State Travel Regulations, as provided in the State budget.

### 31 **Chapter 505 of the Acts of 2007**

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 July 1, 2007. It shall remain effective for a period of 1 year **AND 5 MONTHS** and, at the  
34 end of [June 30, 2008] **DECEMBER 1, 2008**, with no further action required by the  
35 General Assembly, this Act shall be abrogated and of no further force and effect.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   June 1, 2008.