

CHAPTER 200

(House Bill 809)

AN ACT concerning

Nursing Facilities – Accountability Measures – Pay-for-Performance

FOR the purpose of requiring the Department of Health and Mental Hygiene to develop a plan for accountability measures to use in a pay-for-performance program; delaying a requirement that certain revenues be distributed to certain nursing facilities subject to a certain Act; requiring that the plan for accountability measures include certain items; requiring the Department to submit the plan for accountability measures to the General Assembly by a certain date; and generally relating to nursing facilities and pay-for-performance.

BY repealing and reenacting, with amendments,
Chapter 503 of the Acts of the General Assembly of 2007
Section 5

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

Chapter 503 of the Acts of 2007

SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that:

(a) Beginning July 1, ~~2009~~ [2008] **2009**, a portion of the revenues from the quality assessment shall be distributed to nursing facilities subject to this Act based on accountability measures that indicate quality of care or a commitment to quality of care. **THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL DEVELOP A PLAN FOR ACCOUNTABILITY MEASURES TO USE IN A PAY-FOR-PERFORMANCE PROGRAM IN CONSULTATION WITH REPRESENTATIVES OF THE NURSING FACILITIES AND OTHER STAKEHOLDERS.** The accountability measures should be objective, measurable, and when considered in combination with each other, deemed to have a correlation to residents' quality of life and care. [The Department of Health and Mental Hygiene shall develop accountability measures in consultation with representatives of the nursing facilities and other stakeholders.]

(B) **THE PLAN DEVELOPED BY THE DEPARTMENT UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:**

- (1) **PROGRAM GOALS;**
- (2) **RECOMMENDED OPTIONS;**
- (3) **FUNDING SOURCES;**
- (4) **IMPLEMENTATION TIMELINES AND BENCHMARKING PERIODS;**

AND

(5) THE ADMINISTRATIVE COST OF IMPLEMENTATION OF A PAY-FOR-PERFORMANCE PROGRAM.

[(b)] (C) Up to 25% of the revenues generated by the quality assessment shall be **IN AN INCENTIVE PROGRAM TO BE** distributed as provided in this section, to the extent federal law allows. Further, the distribution of revenues as provided in this section shall be used as an incentive for nursing facilities to provide quality care, and may not be used to directly or indirectly hold harmless any nursing facility.

(D) ON OR BEFORE DECEMBER 1, 2008, THE PLAN REQUIRED UNDER THIS SECTION SHALL BE SUBMITTED BY THE DEPARTMENT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

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

Approved by the Governor, April 24, 2008.