

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 289 (Delegate Pendergrass)

Health and Government Operations

Finance

Task Force on Health Care Access and Reimbursement - Extension

This bill extends from June 30 to December 1, 2008 • the termination date of the Task Force on Health Care Access and Reimbursement; and • the date by which the task force must submit a final report of its findings and recommendations.

The bill takes effect June 1, 2008.

Fiscal Summary

State Effect: The bill's requirements could be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapter 505 of 2007 established the task force, which is scheduled to terminate effective June 30, 2008, the date on which the task force must submit its final report. The task force is required to examine:

- reimbursement rates and total payments to health care providers;
- the impact of changes in reimbursement on access to health care, health care disparities, volume of services, and quality of care;
- the effect of competition on payments to health care providers;
- trends for health care provider shortages;

- the amount of and trends in provider uncompensated care;
- the extent to which current reimbursement methods recognize and reward higher quality of care;
- methods used by large purchasers of health care to evaluate adequacy and cost of provider networks; and
- the practice by certain carriers of requiring providers who join a provider network of a carrier to also serve on a provider network of a different carrier and the effect of this practice.

The task force must develop recommendations regarding

- specific options available to change physician and other health care provider reimbursements;
- the sufficiency of present statutory formulas for the reimbursement of noncontracting physicians and providers by health maintenance organizations;
- whether the Maryland Insurance Administration and the Attorney General have sufficient authority to regulate rate setting and market-related practices of carriers;
- whether there is a need to enhance the ability of physicians and other providers to negotiate reimbursement rates with carriers;
- whether there is a need to establish a rate-setting system for health care providers;
- the advisability of the use of payment methods linked to quality of care or outcomes; and
- the need to prohibit carriers from requiring providers who join a provider network of the carrier to also serve on a provider network of a different carrier.

Background: As of January 2008, the task force has met five times and plans to continue to meet with a focus on reimbursement issues and alternatives to the current fee-for-service system. The task force issued its interim report on January 28, 2008.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - February 5, 2008
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