

SENATE BILL 664

J3, O2

9lr1647
CF 9lr1645

By: **Senators Garagiola, Currie, Klausmeier, McFadden, Peters, and Robey**
Introduced and read first time: February 6, 2009
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Nursing Facilities – Accountability Measures – Pay-for-Performance**
3 **Program**

4 FOR the purpose of requiring the Department of Health and Mental Hygiene to
5 consult with certain individuals to make a certain evaluation on or before a
6 certain date; requiring the Department to make a certain report to the General
7 Assembly on or before a certain date; prohibiting the Department from
8 distributing certain revenues until a certain date or the termination of certain
9 rate reductions; requiring the Department to use certain accountability
10 measures; and generally relating to nursing facilities and accountability
11 measures for a pay-for-performance program.

12 BY repealing and reenacting, with amendments,
13 Chapter 503 of the Acts of the General Assembly of 2007, as amended by
14 Chapter 200 of the Acts of the General Assembly of 2008
15 Section 5

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

18 **Chapter 503 of the Acts of 2007, as amended by Chapter 200 of the Acts of**
19 **2008**

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

22 (a) [Beginning] **EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS**
23 **SECTION, BEGINNING** July 1, 2009, a portion of the revenues from the quality
24 assessment shall be distributed to nursing facilities subject to this Act based on
25 accountability measures that indicate quality of care or a commitment to quality of
26 care. The Department of Health and Mental Hygiene shall develop a plan for

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 accountability measures to use in a pay-for-performance program in consultation
2 with representatives of the nursing facilities and other stakeholders. The
3 accountability measures should be objective, measurable, and when considered in
4 combination with each other, deemed to have a correlation to residents' quality of life
5 and care. **THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL**
6 **DEVELOP ACCOUNTABILITY MEASURES IN CONSULTATION WITH**
7 **REPRESENTATIVES OF THE NURSING FACILITIES AND OTHER STAKEHOLDERS.**

8 (b) The plan developed by the Department under subsection (a) of this
9 section shall include:

10 (1) Program goals;

11 (2) Recommended options;

12 (3) Funding sources;

13 (4) Implementation timelines and benchmarking periods; and

14 (5) The administrative cost of implementation of a
15 pay-for-performance program.

16 (c) **ON OR BEFORE OCTOBER 1, 2009, THE DEPARTMENT SHALL**
17 **CONSULT WITH REPRESENTATIVES OF NURSING FACILITIES AND OTHER**
18 **STAKEHOLDERS TO REEVALUATE THE ACCOUNTABILITY MEASURES DEVELOPED**
19 **UNDER SUBSECTION (A) OF THIS SECTION AND EVALUATE THE DISTRIBUTION**
20 **OF FUNDING AND EDUCATION REGARDING THE FINAL SCORING CRITERIA. IN**
21 **REEVALUATING THE ACCOUNTABILITY MEASURES, THE DEPARTMENT SHALL**
22 **CONSIDER OTHER ACCOUNTABILITY PROGRAMS.**

23 [(c)] (D) Up to 25% of the revenues generated by the quality assessment
24 shall be in an incentive program to be distributed as provided in this section, to the
25 extent federal law allows. Further, the distribution of revenues as provided in this
26 section shall be used as an incentive for nursing facilities to provide quality care, and
27 may not be used to directly or indirectly hold harmless any nursing facility.

28 [(d)] (E) (1) On or before December 1, 2008, the plan required under this
29 section shall be submitted by the Department, in accordance with § 2-1246 of the
30 State Government Article, to the General Assembly.

31 (2) **ON OR BEFORE DECEMBER 1, 2009, THE DEPARTMENT**
32 **SHALL REPORT TO THE GENERAL ASSEMBLY ON THE REEVALUATION AND**
33 **EVALUATION REQUIRED UNDER SUBSECTION (C) OF THIS SECTION, IN**
34 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.**

1 **(F) (1) THE DEPARTMENT MAY NOT DISTRIBUTE REVENUES**
2 **GENERATED BY THE QUALITY ASSESSMENT TO NURSING FACILITIES THROUGH**
3 **AN INCENTIVE PROGRAM AS PROVIDED UNDER SUBSECTION (D) OF THIS**
4 **SECTION UNTIL THE LATER OF JULY 1, 2011, OR THE TERMINATION OF RATE**
5 **REDUCTIONS IMPOSED ON NURSING FACILITIES BY THE STATE.**

6 **(2) THE DEPARTMENT SHALL EVALUATE NURSING HOMES USING**
7 **ACCOUNTABILITY MEASURES DEVELOPED BY THE DEPARTMENT UNDER**
8 **SUBSECTION (C) OF THIS SECTION BUT MAY NOT DISTRIBUTE REVENUES TO**
9 **NURSING FACILITIES BASED ON THE ACCOUNTABILITY MEASURES AS PROVIDED**
10 **IN PARAGRAPH (1) OF THIS SUBSECTION.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 June 1, 2009.