

## CHAPTER 689

(House Bill 706)

AN ACT concerning

### **Electronic Health Records – Regulation and Reimbursement**

FOR the purpose of requiring the Maryland Medical Assistance Program to reimburse certain health care providers in accordance with certain provisions of this Act; ~~requiring the Maryland Health Care Commission, in consultation with the Department of Health and Mental Hygiene and the Maryland Insurance Administration, to adopt certain regulations on or before a certain date requiring certain payors to include certain costs in a certain reimbursement structure; requiring the Commission to designate a certain health information exchange on or before a certain date; requiring the Commission to determine the appropriate level of additional reimbursement in a certain manner; providing that certain regulations shall apply to certain entities under certain circumstances; requiring the Commission, in consultation with the Department and the Administration, to adopt certain regulations that specify certain certification requirements on or before a certain date; requiring the Maryland Health Care Commission and the Health Services Cost Review Commission to designate a health information exchange for the State on or before a certain date; requiring the Maryland Health Care Commission, on or before a certain date, to report on progress in implementing certain provisions of this Act; requiring, on or before a certain date, the Maryland Health Care Commission, following consultation with certain stakeholders, to post on its website for a public comment and submit to the Governor and certain legislative committees, a report on certain aspects of health information technology; requiring the committees to have a certain period of time for review and comment; requiring, on or before a certain date, the Maryland Health Care Commission, in consultation with the Department of Health and Mental Hygiene and others, to adopt regulations that require certain payors to provide incentives to health care providers to promote the adoption and certain use of electronic health records; establishing certain requirements for the incentives; providing that the incentives may include certain items and services; specifying that the regulations need not require incentives for certain types of health care providers; requiring the regulations to apply to certain entities under certain circumstances; requiring the Health Services Cost Review Commission and the Department, in consultation with certain other entities, to take certain actions that relate to the American Recovery and Reinvestment Act of 2009 and certain rules and regulations; requiring the Maryland Health Care Commission, on or before a certain date, to report to the Governor and the General Assembly on certain progress achieved and recommendations for changes that may be necessary for certain adoption and use of electronic health records; requiring the~~

~~Maryland Health Care Commission to designate a certain management service organization organizations on or before a certain date; authorizing the Maryland Health Care Commission to use certain grants and loans in a certain manner; requiring certain health care providers to use certain electronic health records on or and after a certain date; prohibiting certain payors from reimbursing certain health care providers on or after a certain date under certain circumstances; providing that certain provisions of this Act shall apply to certain entities under certain circumstances; providing that certain provisions of this Act apply to health maintenance organizations; requiring certain carriers State-regulated payors to reimburse provide incentives to certain health care providers in accordance with certain provisions of this Act; requiring the Secretary of Budget and Management to ensure that the State Employee and Retiree Health and Welfare Benefits Program complies with certain provisions of this Act; defining certain terms; and generally relating to the regulation of and reimbursement for the use of electronic health records.~~

BY repealing and reenacting, without amendments,  
 Article – Health – General  
 Section 1–101(a) and (c), 15–101(a) and (h), and 19–101  
 Annotated Code of Maryland  
 (2005 Replacement Volume and 2008 Supplement)

BY adding to  
 Article – Health – General  
 Section 15–105.2; 19–142 ~~through 19–145~~ and 19–143 to be under the new part  
 “Part IV. Electronic Health Records – Regulation and Reimbursement”;  
 and 19–706(ttt)  
 Annotated Code of Maryland  
 (2005 Replacement Volume and 2008 Supplement)

BY adding to  
 Article – Insurance  
 Section 15–132  
 Annotated Code of Maryland  
 (2006 Replacement Volume and 2008 Supplement)

BY repealing and reenacting, without amendments,  
 Article – State Personnel and Pensions  
 Section 2–501(a) and (b)  
 Annotated Code of Maryland  
 (2004 Replacement Volume and 2008 Supplement)

BY repealing and reenacting, with amendments,  
 Article – State Personnel and Pensions  
 Section 2–503(a)  
 Annotated Code of Maryland

(2004 Replacement Volume and 2008 Supplement)

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

**Article – Health – General**

1–101.

- (a) In this article the following words have the meanings indicated.
- (c) “Department” means the Department of Health and Mental Hygiene.

15–101.

- (a) In this title the following words have the meanings indicated.
- (h) “Program” means the Maryland Medical Assistance Program.

**15–105.2.**

**THE PROGRAM SHALL REIMBURSE HEALTH CARE PROVIDERS IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 19, SUBTITLE 1, PART IV OF THIS ARTICLE.**

19–101.

In this subtitle, “Commission” means the Maryland Health Care Commission.

**PART IV. ELECTRONIC HEALTH RECORDS – REGULATION AND REIMBURSEMENT.**

**19–142.**

**(A) IN THIS PART IV OF THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(B) “CARRIER” MEANS:**

- (1) AN INSURER;**
- (2) A NONPROFIT HEALTH SERVICE PLAN;**
- (3) A HEALTH MAINTENANCE ORGANIZATION; OR**

(4) ~~A DENTAL PLAN ORGANIZATION; OR~~

~~(5)~~ ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS SUBJECT TO REGULATION BY THE STATE.

(C) "ELECTRONIC HEALTH RECORD" MEANS AN ELECTRONIC RECORD OF HEALTH-RELATED INFORMATION ON AN INDIVIDUAL THAT:

(1) INCLUDES PATIENT DEMOGRAPHIC AND CLINICAL HEALTH INFORMATION; AND

(2) HAS THE CAPACITY TO:

(I) PROVIDE CLINICAL DECISION SUPPORT;

(II) SUPPORT PHYSICIAN ORDER ENTRY;

(III) CAPTURE AND QUERY INFORMATION RELEVANT TO HEALTH CARE QUALITY; AND

(IV) EXCHANGE ELECTRONIC HEALTH INFORMATION WITH AND INTEGRATE THE INFORMATION FROM OTHER SOURCES.

(D) (1) "HEALTH BENEFIT PLAN" MEANS A HOSPITAL OR MEDICAL POLICY, CONTRACT, OR CERTIFICATE ISSUED BY A CARRIER.

(2) "HEALTH BENEFIT PLAN" DOES NOT INCLUDE:

(I) COVERAGE FOR ACCIDENT OR DISABILITY INCOME INSURANCE;

(II) COVERAGE ISSUED AS A SUPPLEMENT TO LIABILITY INSURANCE;

(III) LIABILITY INSURANCE, INCLUDING GENERAL LIABILITY INSURANCE AND AUTOMOBILE LIABILITY INSURANCE;

(IV) WORKERS' COMPENSATION OR SIMILAR INSURANCE;

(V) AUTOMOBILE OR PROPERTY MEDICAL PAYMENT INSURANCE;

(VI) CREDIT-ONLY INSURANCE;

**(VII) COVERAGE FOR ON-SITE MEDICAL CLINICS;**

**(VIII) DENTAL OR VISION INSURANCE;**

**(IX) LONG-TERM CARE INSURANCE OR BENEFITS FOR NURSING HOME CARE, HOME HEALTH CARE, COMMUNITY-BASED CARE, OR ANY COMBINATION OF THESE;**

**(X) COVERAGE ONLY FOR A SPECIFIED DISEASE OR ILLNESS;**

**(XI) HOSPITAL INDEMNITY OR OTHER FIXED INDEMNITY INSURANCE; OR**

**(XII) THE FOLLOWING BENEFITS IF OFFERED AS A SEPARATE INSURANCE POLICY:**

**1. MEDICARE SUPPLEMENTAL HEALTH INSURANCE, AS DEFINED IN § 1882(G)(1) OF THE SOCIAL SECURITY ACT;**

**2. COVERAGE SUPPLEMENTAL TO THE COVERAGE PROVIDED UNDER CHAPTER 55 OF TITLE 10, U.S.C.; OR**

**3. SIMILAR SUPPLEMENTAL COVERAGE PROVIDED TO COVERAGE UNDER AN EMPLOYER-SPONSORED PLAN.**

**~~(D)~~ (E) (1) "HEALTH CARE PROVIDER" MEANS:**

**(I) A PERSON WHO IS LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE IN THE ORDINARY COURSE OF BUSINESS OR PRACTICE OF A PROFESSION OR IN AN APPROVED EDUCATION OR TRAINING PROGRAM; OR**

**(II) A FACILITY WHERE HEALTH CARE IS PROVIDED TO PATIENTS OR RECIPIENTS, INCLUDING:**

**1. A FACILITY, AS DEFINED IN § 10-101(E) OF THIS ARTICLE;**

**2. A HOSPITAL, AS DEFINED IN § 19-301 OF THIS TITLE;**

**3. A RELATED INSTITUTION, AS DEFINED IN § 19-301 OF THIS TITLE;**

4. AN OUTPATIENT CLINIC;
5. A FREESTANDING MEDICAL FACILITY, AS DEFINED IN § 19-3A-01 OF THIS TITLE;
6. AN AMBULATORY SURGICAL FACILITY, AS DEFINED IN § 19-3B-01 OF THIS TITLE; AND
7. A NURSING HOME, AS DEFINED IN § 19-1401 OF THIS TITLE.

(2) "HEALTH CARE PROVIDER" DOES NOT INCLUDE A HEALTH MAINTENANCE ORGANIZATION AS DEFINED IN § 19-701 OF THIS TITLE.

~~(E)~~ (F) "HEALTH INFORMATION EXCHANGE" MEANS A STATEWIDE INFRASTRUCTURE THAT PROVIDES ORGANIZATIONAL AND TECHNICAL CAPABILITIES TO ENABLE THE ELECTRONIC EXCHANGE OF HEALTH INFORMATION BETWEEN HEALTH CARE PROVIDERS AND OTHER HEALTH SERVICES ORGANIZATIONS AUTHORIZED BY THE COMMISSION.

~~(F)~~ (G) "MANAGEMENT SERVICE ORGANIZATION" MEANS AN ORGANIZATION THAT OFFERS ~~MULTIPLE~~ ONE OR MORE HOSTED ELECTRONIC HEALTH RECORD SOLUTIONS AND OTHER MANAGEMENT SERVICES TO MULTIPLE HEALTH CARE PROVIDERS.

~~(G)~~ "~~MEDICARE~~" ~~MEANS THE HEALTH INSURANCE FOR THE AGED ACT, TITLE XVIII OF THE SOCIAL SECURITY AMENDMENTS OF 1965, AS AMENDED.~~

- (H) (1) "STATE-REGULATED PAYOR" MEANS:
- ~~(1)~~ ~~THE MARYLAND MEDICAL ASSISTANCE PROGRAM;~~
  - ~~(2)~~ (1) THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM; AND
  - ~~(3)~~ (II) A CARRIER ISSUING OR DELIVERING HEALTH BENEFIT PLANS IN THE STATE.

(2) "STATE-REGULATED PAYOR" DOES NOT INCLUDE A MANAGED CARE ORGANIZATION AS DEFINED IN TITLE 15, SUBTITLE 1 OF THIS ARTICLE.

19-143.

~~(A) ON OR BEFORE OCTOBER 1, 2010, THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT AND THE MARYLAND INSURANCE ADMINISTRATION, SHALL:~~

~~(1) ADOPT REGULATIONS THAT REQUIRE STATE-REGULATED PAYORS TO INCLUDE IN THEIR REIMBURSEMENT STRUCTURE FOR HEALTH CARE PROVIDERS THE COST OF THE ADOPTION OF ELECTRONIC HEALTH RECORDS BY HEALTH CARE PROVIDERS; AND~~

~~(2) DESIGNATE A HEALTH INFORMATION EXCHANGE FOR THE STATE THAT:~~

~~(I) INCORPORATES PRIVACY RULES THAT ARE CONSISTENT WITH EXISTING FEDERAL AND STATE LAWS AND REGULATIONS; AND~~

~~(II) MAKES ITS SERVICES AVAILABLE TO HEALTH CARE PROVIDERS, STATE-REGULATED PAYORS AND OTHER HEALTH CARE SERVICES ORGANIZATIONS AS AUTHORIZED BY THE COMMISSION.~~

~~(B) (1) THE COMMISSION SHALL DETERMINE THE APPROPRIATE LEVEL OF ADDITIONAL REIMBURSEMENT TO BE REQUIRED UNDER THIS SECTION, TAKING INTO ACCOUNT ANY GRANTS OR LOANS THAT ARE AVAILABLE TO HEALTH CARE PROVIDERS FROM THE FEDERAL GOVERNMENT.~~

~~(2) THE COMMISSION MAY NOT REQUIRE ADDITIONAL REIMBURSEMENT UNDER THIS SECTION FOR A HOSPITAL THAT IS REGULATED BY THE HEALTH SERVICES COST REVIEW COMMISSION.~~

~~(C) IF FEDERAL LAW IS AMENDED TO ALLOW THE STATE TO REGULATE SELF-INSURED ENTITIES AND MEDICARE, REGULATIONS ADOPTED UNDER THIS SECTION SHALL APPLY TO REIMBURSEMENT BY SELF-INSURED ENTITIES AND MEDICARE.~~

~~19-144.~~

~~(A) (1) ON OR BEFORE OCTOBER 1, 2012, THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT AND THE MARYLAND INSURANCE ADMINISTRATION, SHALL ADOPT REGULATIONS THAT SPECIFY CERTIFICATION REQUIREMENTS FOR ELECTRONIC HEALTH RECORDS.~~

~~(2) THE COMMISSION SHALL INCLUDE IN REGULATIONS ADOPTED UNDER THIS SUBSECTION A REQUIREMENT THAT ELECTRONIC HEALTH RECORDS MUST MEET ANY STANDARDS FOR ELECTRONIC HEALTH RECORDS THAT ARE PROVIDED FOR IN FEDERAL LAW.~~

~~(B) (1) ON OR BEFORE OCTOBER 1, 2012, THE COMMISSION SHALL DESIGNATE A MANAGEMENT SERVICE ORGANIZATION TO OFFER HOSTED ELECTRONIC HEALTH RECORDS AND OTHER MANAGEMENT SERVICES THROUGHOUT THE STATE.~~

~~(2) THE COMMISSION MAY USE AVAILABLE GRANTS AND LOANS FROM THE FEDERAL GOVERNMENT TO HELP SUBSIDIZE THE USE OF THE MANAGEMENT SERVICE ORGANIZATION BY HEALTH CARE PROVIDERS.~~

~~19-145.~~

~~(A) ON OR AFTER OCTOBER 1, 2014, EVERY HEALTH CARE PROVIDER IN THE STATE SHALL USE ELECTRONIC HEALTH RECORDS THAT ARE:~~

~~(1) CERTIFIED IN ACCORDANCE WITH STANDARDS ADOPTED BY THE COMMISSION; AND~~

~~(2) HAVE INTEROPERABILITY WITH, ARE CONNECTED TO, AND EXCHANGING DATA WITH THE HEALTH INFORMATION EXCHANGE DESIGNATED BY THE COMMISSION UNDER § 19-143 OF THIS SUBTITLE.~~

~~(B) (1) ON OR AFTER OCTOBER 1, 2014, A STATE-REGULATED PAYOR MAY NOT REIMBURSE A HEALTH CARE PROVIDER THAT DOES NOT MEET THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION FOR HEALTH CARE SERVICES.~~

~~(2) IF FEDERAL LAW IS AMENDED TO ALLOW THE STATE TO REGULATE SELF-INSURED ENTITIES AND MEDICARE, THIS SUBSECTION SHALL APPLY TO REIMBURSEMENT BY SELF-INSURED ENTITIES AND MEDICARE.~~

~~(C) ON OR AFTER OCTOBER 1, 2014, A HOSPITAL THAT IS REGULATED BY THE HEALTH SERVICES COST REVIEW COMMISSION THAT DOES NOT MEET THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION MAY NOT BE REIMBURSED BY ANY PAYOR FOR HEALTH CARE SERVICES.~~

(A) ON OR BEFORE OCTOBER 1, 2009, THE COMMISSION AND THE HEALTH SERVICES COST REVIEW COMMISSION SHALL DESIGNATE A HEALTH INFORMATION EXCHANGE FOR THE STATE.

(B) ON OR BEFORE JANUARY 1, 2010, THE COMMISSION SHALL:



(1) REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE ON PROGRESS IN IMPLEMENTING THE REQUIREMENTS OF SUBSECTIONS (A) AND (D) OF THIS SECTION; AND

(2) INCLUDE IN THE REPORT RECOMMENDATIONS FOR LEGISLATION SPECIFYING HOW INCENTIVES REQUIRED FOR STATE-REGULATED PAYORS THAT ARE NATIONAL CARRIERS SHALL TAKE INTO ACCOUNT EXISTING CARRIER ACTIVITIES THAT PROMOTE THE ADOPTION AND MEANINGFUL USE OF ELECTRONIC HEALTH RECORDS.

(c) (1) ON OR BEFORE JANUARY 1, 2011, FOLLOWING CONSULTATIONS WITH APPROPRIATE STAKEHOLDERS, THE COMMISSION SHALL POST ON ITS WEBSITE FOR PUBLIC COMMENT AND SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE A REPORT ON:

(i) THE DEVELOPMENT OF A COORDINATED PUBLIC-PRIVATE APPROACH TO IMPROVE THE STATE'S HEALTH INFORMATION INFRASTRUCTURE;

(ii) ANY CHANGES IN STATE LAWS THAT ARE NECESSARY TO PROTECT THE PRIVACY AND SECURITY OF HEALTH INFORMATION STORED IN ELECTRONIC HEALTH RECORDS OR EXCHANGED THROUGH A HEALTH INFORMATION EXCHANGE IN THE STATE;

(iii) ANY CHANGES IN STATE LAWS THAT ARE NECESSARY TO PROVIDE FOR THE EFFECTIVE OPERATION OF A HEALTH INFORMATION EXCHANGE;

(iv) ANY ACTIONS THAT ARE NECESSARY TO ALIGN FUNDING OPPORTUNITIES UNDER THE FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 WITH OTHER STATE AND PRIVATE SECTOR INITIATIVES RELATED TO HEALTH INFORMATION TECHNOLOGY, INCLUDING:

1. THE PATIENT-CENTERED MEDICAL HOME;
2. THE ELECTRONIC HEALTH RECORD DEMONSTRATION PROJECT SUPPORTED BY THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES;
3. THE HEALTH INFORMATION EXCHANGE; AND

**4. THE MEDICAID INFORMATION TECHNOLOGY ARCHITECTURE INITIATIVE; AND**

**(V) RECOMMENDED LANGUAGE FOR THE REGULATIONS REQUIRED UNDER SUBSECTION (D) OF THIS SECTION.**

**(2) THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE SHALL HAVE 60 DAYS FROM RECEIPT OF THE REPORT FOR REVIEW AND COMMENT.**

**(D) (1) ON OR BEFORE SEPTEMBER 1, 2011, THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT, PAYORS, AND HEALTH CARE PROVIDERS, SHALL ADOPT REGULATIONS THAT REQUIRE STATE-REGULATED PAYORS TO PROVIDE INCENTIVES TO HEALTH CARE PROVIDERS TO PROMOTE THE ADOPTION AND MEANINGFUL USE OF ELECTRONIC HEALTH RECORDS.**

**(2) INCENTIVES REQUIRED UNDER THE REGULATIONS:**

**(I) SHALL HAVE MONETARY VALUE;**

**(II) SHALL FACILITATE THE USE OF ELECTRONIC HEALTH RECORDS BY HEALTH CARE PROVIDERS IN THE STATE;**

**(III) TO THE EXTENT FEASIBLE, SHALL RECOGNIZE AND BE CONSISTENT WITH EXISTING PAYOR INCENTIVES THAT PROMOTE THE ADOPTION AND MEANINGFUL USE OF ELECTRONIC HEALTH RECORDS;**

**(IV) SHALL TAKE INTO ACCOUNT:**

**1. INCENTIVES PROVIDED TO HEALTH CARE PROVIDERS UNDER MEDICARE AND MEDICAID; AND**

**2. ANY GRANTS OR LOANS THAT ARE AVAILABLE TO HEALTH CARE PROVIDERS FROM THE FEDERAL GOVERNMENT; AND**

**(V) MAY INCLUDE:**

**1. INCREASED REIMBURSEMENT FOR SPECIFIC SERVICES;**

**2. LUMP SUM PAYMENTS;**

**3. GAIN-SHARING ARRANGEMENTS;**

4. REWARDS FOR QUALITY AND EFFICIENCY;
5. IN-KIND PAYMENTS; AND
6. OTHER ITEMS OR SERVICES TO WHICH A SPECIFIC MONETARY VALUE CAN BE ASSIGNED.

(3) THE REGULATIONS NEED NOT REQUIRE INCENTIVES FOR THE ADOPTION AND MEANINGFUL USE OF ELECTRONIC HEALTH RECORDS, FOR EACH TYPE OF HEALTH CARE PROVIDER LISTED IN § 19-142(E) OF THIS SUBTITLE.

(4) IF FEDERAL LAW IS AMENDED TO ALLOW THE STATE TO REGULATE PAYMENTS MADE BY ENTITIES THAT SELF-INSURE THEIR HEALTH BENEFIT PLANS, REGULATIONS ADOPTED UNDER THIS SECTION SHALL APPLY TO THOSE ENTITIES TO THE SAME EXTENT TO WHICH THEY APPLY TO STATE-REGULATED PAYORS.

(E) THE HEALTH SERVICES COST REVIEW COMMISSION, IN CONSULTATION WITH HOSPITALS, PAYORS, AND THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES, SHALL TAKE THE ACTIONS NECESSARY TO:

(1) ASSURE THAT HOSPITALS IN THE STATE RECEIVE THE PAYMENTS PROVIDED UNDER § 4102 OF THE FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 AND ANY SUBSEQUENT FEDERAL RULES AND REGULATIONS; AND

(2) IMPLEMENT ANY CHANGES IN HOSPITAL RATES REQUIRED BY THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES TO ENSURE COMPLIANCE WITH § 4102 OF THE FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 AND ANY SUBSEQUENT FEDERAL RULES AND REGULATIONS.

(F) THE DEPARTMENT, IN CONSULTATION WITH THE COMMISSION, SHALL DEVELOP A MECHANISM TO ASSURE THAT HEALTH CARE PROVIDERS THAT PARTICIPATE IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM RECEIVE THE PAYMENTS PROVIDED FOR ADOPTION AND USE OF ELECTRONIC HEALTH RECORDS TECHNOLOGY UNDER § 4201 OF THE FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 AND ANY SUBSEQUENT FEDERAL RULES AND REGULATIONS.

**(G) ON OR BEFORE OCTOBER 1, 2012, THE COMMISSION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON PROGRESS ACHIEVED TOWARD ADOPTION AND MEANINGFUL USE OF ELECTRONIC HEALTH RECORDS BY HEALTH CARE PROVIDERS IN THE STATE AND RECOMMENDATIONS FOR ANY CHANGES IN STATE LAWS THAT MAY BE NECESSARY TO ACHIEVE OPTIMAL ADOPTION AND USE.**

**(H) (1) ON OR BEFORE OCTOBER 1, 2012, THE COMMISSION SHALL DESIGNATE ONE OR MORE MANAGEMENT SERVICE ORGANIZATIONS TO OFFER SERVICES THROUGHOUT THE STATE.**

**(2) THE COMMISSION MAY USE FEDERAL GRANTS AND LOANS TO HELP SUBSIDIZE THE USE OF THE DESIGNATED MANAGEMENT SERVICE ORGANIZATIONS BY HEALTH CARE PROVIDERS.**

**(I) ON AND AFTER THE LATER OF JANUARY 1, 2015, OR THE DATE ESTABLISHED FOR THE IMPOSITION OF PENALTIES UNDER § 4102 OF THE FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009:**

**(1) EACH HEALTH CARE PROVIDER USING AN ELECTRONIC HEALTH RECORD THAT SEEKS PAYMENT FROM A ~~STATE-DESIGNATED~~ STATE-REGULATED PAYOR SHALL USE ELECTRONIC HEALTH RECORDS THAT ARE:**

**(I) CERTIFIED BY A NATIONAL CERTIFICATION ORGANIZATION DESIGNATED BY THE COMMISSION; AND**

**(II) CAPABLE OF CONNECTING TO AND EXCHANGING DATA WITH THE HEALTH INFORMATION EXCHANGE DESIGNATED BY THE COMMISSION UNDER SUBSECTION (A) OF THIS SECTION; AND**

**(2) THE INCENTIVES REQUIRED UNDER SUBSECTION ~~(C)~~ (D) OF THIS SECTION MAY INCLUDE REDUCTIONS IN PAYMENTS TO A HEALTH CARE PROVIDER THAT DOES NOT USE ELECTRONIC HEALTH RECORDS THAT MEET THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION.**

19-706.

**(TTT) THE PROVISIONS OF § 15-132 OF THE INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

## Article - Insurance

15-132.

~~(A) IN THIS SECTION, "CARRIER" MEANS:~~

~~(1) AN INSURER;~~

~~(2) A NONPROFIT HEALTH SERVICE PLAN;~~

~~(3) A HEALTH MAINTENANCE ORGANIZATION;~~

~~(4) A DENTAL PLAN ORGANIZATION; OR~~

~~(5) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS SUBJECT TO REGULATION BY THE STATE.~~

~~(B) A CARRIER SHALL REIMBURSE HEALTH CARE PROVIDERS IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 19, SUBTITLE 1, PART IV OF THE HEALTH - GENERAL ARTICLE.~~

(A) IN THIS SECTION, "CARRIER" HAS THE MEANING STATED IN § 19-142 OF THE HEALTH - GENERAL ARTICLE.

(B) A CARRIER SHALL PROVIDE INCENTIVES TO HEALTH CARE PROVIDERS IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 19, SUBTITLE 1, PART IV OF THE HEALTH - GENERAL ARTICLE.

**Article - State Personnel and Pensions**

2-501.

(a) In this subtitle the following terms have the meanings indicated.

(b) "Program" means the State Employee and Retiree Health and Welfare Benefits Program.

2-503.

(a) The Secretary shall:

(1) adopt regulations for the administration of the Program;

(2) ensure that the Program complies with all federal and State laws governing employee benefit plans; [and]

(3) each year, recommend to the Governor the State share of the costs of the Program; AND

**(4) ENSURE THAT THE PROGRAM COMPLIES WITH TITLE 19, SUBTITLE 1, PART IV OF THE HEALTH – GENERAL ARTICLE.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2009.

**Approved by the Governor, May 19, 2009.**