

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 175
Finance

(The President, *et al.*) (By Request - Administration)

Maryland Health Quality and Cost Council

This Administration bill codifies the Maryland Health Quality and Cost Council in the Department of Health and Mental Hygiene. The bill establishes the membership and expands the purposes of the council. An annual report of the council's activities and any findings and recommendations is due by January 1 of each year to the Governor and the General Assembly.

Fiscal Summary

State Effect: Under the existing executive order, members of the council are entitled to reimbursement for expenses, the Secretary of Health and Mental Hygiene provides staff for the council, and an annual report is submitted to the Governor and the General Assembly; therefore, reimbursement of expenses, staffing, and submission of annual reports can be handled with existing resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: The Administration has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Bill Summary: The council comprises the Secretary of Health and Mental Hygiene, who must serve as chair or vice chair, and 13 members appointed by the Governor, at least 10 of whom must represent health insurance carriers, employers, health care providers, consumers, and experts in health care quality and cost containment. To the extent

practicable, the council's composition must reflect the gender, racial, and ethnic diversity of the State and its geographic regions; and members of the council should possess a high level of expertise and knowledge in the professional areas they represent and be active in ongoing health quality and cost containment efforts in the State. A majority of council members constitutes a quorum. The Secretary of Health and Mental Hygiene must designate staff for the council.

Members serve three-year staggered terms. At the end of a term, a member continues to serve until a successor is appointed. Members may not serve more than two consecutive full terms and serve at the pleasure of the Governor. Council members may not receive compensation but are entitled to reimbursement for expenses. Members are subject to the Maryland Public Ethics Law.

The purposes of the council are to (1) coordinate and facilitate collaboration on health care quality improvement and cost containment initiatives; (2) make recommendations on health care quality improvement and cost containment priorities and initiatives; (3) develop strategies to improve the quality and cost-effectiveness of care for individuals with or at risk of chronic illness; (4) support ongoing efforts to expand the use of health information technology; (5) explore strategies to reduce and eliminate health disparities and make recommendations regarding the development and implementation of those strategies; (6) seek to leverage opportunities for demonstration projects, federal grant funding, and other initiatives to improve quality and contain costs made available in federal health care reform legislation; (7) assess options and make recommendations regarding strategies for collecting and disseminating patient-centered outcomes research to promote evidence-based practices among health care providers; and (8) examine and make recommendations on other issues relating to the mission of the council.

The council should avoid duplication of existing health care quality improvement and cost containment efforts in the State. The council is authorized to adopt bylaws, rules, policies, or procedures to conduct business; establish workgroups, committees, or task forces and designate additional individuals with relevant experience to serve on such groups; and consult with other units of State and local government to carry out its duties.

Current Law/Background: The Maryland Health Quality and Cost Council was created by Executive Order 01.01.2007.24 in October 2007 to coordinate best practices of the private and public sector to improve health care in the State. The council must (1) coordinate and facilitate collaboration on health care quality improvement and cost containment initiatives; (2) make recommendations on health care quality and cost containment initiatives and priorities; (3) develop a chronic care management plan; (4) facilitate the integration of health information technology in health care systems; and (5) examine and make recommendations regarding other issues relating generally to the council's mission.

In addition to the Lieutenant Governor and the Secretary of Health and Mental Hygiene, who serve as the council's chair and vice chair respectively, the council consists of 12 other members, each appointed by the Governor for a three-year term. In accordance with the executive order, the council has at least one representative drawn from the ranks of the health insurance industry, employers, health care providers, health care consumers, and health care quality experts. Staff is provided by the Department of Health and Mental Hygiene. The council has three workgroups: Wellness and Prevention, Evidence-Based Medicine, and Patient Centered Medical Home.

The Wellness and Prevention Workgroup is developing actionable wellness and prevention strategies to achieve the goal of a *Healthiest Maryland*, a social marketing campaign that encourages leaders in the business, community, and school sectors to embrace a culture of wellness. The Evidence-Based Medicine Workgroup is charged with the widespread implementation of practices shown to improve health care quality and decrease costs. Initiatives to date include the Maryland Hospital Hand Hygiene Collaborative, the Statewide Reduction of Blood Wastage Reduction Collaborative, Maryland Regulated Medical Waste Collaborative, and the Telemedicine Task Force. The Patient Centered Medical Home Workgroup is developing recommendations to strengthen primary care and promote the adoption of the medical home model, including the Maryland Patient Centered Medical Home program established under Chapters 5 and 6 of 2010.

Additional Information

Prior Introductions: None.

Cross File: HB 165 (The Speaker, *et al.*) (By Request - Administration) - Health and Government Operations.

Information Source(s): Allegany, Harford, Montgomery, and Wicomico counties; Baltimore City; cities of Frederick and Havre de Grace; Department of Budget and Management; Governor's Office; Department of Health and Mental Hygiene; Maryland Insurance Administration; Maryland Association of Counties; Maryland Municipal League; Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2011
ncs/mwc

Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Health Quality and Cost Council

BILL NUMBER: SB 175/HB 165

PREPARED BY: Governor's Legislative Office

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.