

HOUSE BILL 1242

E4, J1

3lr1013

By: **Delegates McDermott and Smigiel**

Introduced and read first time: February 8, 2013

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Correctional Services – Inmate Health Care Services – Billing**

3 FOR the purpose of declaring a certain legislative intent relating to inmate health care
4 services and implementation of certain solutions and processes and use of
5 certain savings; requiring the Department of Public Safety and Correctional
6 Services to implement certain measures and certain automated health care
7 billing systems that meet certain requirements; requiring the Department to
8 conduct certain reviews of certain claims; requiring the Department to
9 implement certain health care claims and audit recovery services; authorizing
10 the Department to contract with a vendor to implement certain technologies
11 based on certain reimbursement models; providing that reimbursement models
12 with a vendor may include certain performance guarantees; providing for the
13 application of this Act; defining a certain term; and generally relating to inmate
14 health care services.

15 BY adding to

16 Article – Correctional Services

17 Section 10–802

18 Annotated Code of Maryland

19 (2008 Replacement Volume and 2012 Supplement)

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

22 **Article – Correctional Services**

23 **10–802.**

24 **(A) IN THIS SECTION, “CLINICAL CODE EDITING TECHNOLOGY” MEANS**
25 **MEDICAL CODES AND CONVENTIONS THAT PROVIDE A BASIS FOR RECONCILING**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 A MEDICAL CLAIM SUBMITTED BY A HEALTH CARE PROVIDER WITH THE
2 TREATMENT PRESCRIBED BY A HEALTH CARE PROVIDER.

3 (B) THIS SECTION APPLIES TO:

4 (1) HEALTH CARE SERVICES PROVIDED TO INMATES CONFINED IN
5 A STATE CORRECTIONAL FACILITY;

6 (2) STATE CONTRACT MANAGED HEALTH CARE SERVICES
7 PROVIDED TO INMATES IN A STATE CORRECTIONAL FACILITY; AND

8 (3) HEALTH CARE SYSTEMS MANAGED AND OPERATED BY THE
9 DEPARTMENT OR A VENDOR UNDER CONTRACT WITH THE DEPARTMENT.

10 (C) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO:

11 (1) IMPLEMENT AUTOMATED PAYMENT DETECTION,
12 PREVENTION, AND RECOVERY SOLUTIONS THAT REDUCE HEALTH CARE COSTS
13 FOR INMATES CONFINED IN A STATE CORRECTIONAL FACILITY;

14 (2) IMPLEMENT PROCESSES TO OBTAIN REIMBURSEMENT FROM
15 MEDICAID FOR ELIGIBLE INMATE HEALTH CARE COSTS; AND

16 (3) USE THE SAVINGS ACHIEVED FROM THE IMPLEMENTATION OF
17 THIS SECTION TO FUND THE TECHNOLOGY SERVICES REQUIRED IN THIS
18 SECTION.

19 (D) (1) THE DEPARTMENT SHALL IMPLEMENT STATE-OF-THE-ART
20 CLINICAL CODE EDITING TECHNOLOGY TO AUTOMATE CLAIMS RESOLUTION AND
21 ENHANCE COST CONTAINMENT FOR HEALTH CARE SERVICES.

22 (2) THE CLINICAL CODE EDITING TECHNOLOGY SHALL IDENTIFY
23 AND PREVENT ERRORS OR POTENTIAL OVERBILLING USING WIDELY ACCEPTED
24 PROTOCOLS DEVELOPED BY ENTITIES SUCH AS THE AMERICAN MEDICAL
25 ASSOCIATION.

26 (3) THE DEPARTMENT SHALL AUTOMATICALLY APPLY CLINICAL
27 CODE EDITING TECHNOLOGY TO CLAIMS BEFORE THEY ARE ADJUDICATED TO
28 ACHIEVE:

29 (I) FASTER CLAIMS PROCESSING;

1 **(II) A REDUCTION IN THE NUMBER OF PENDING OR**
2 **REJECTED CLAIMS;**

3 **(III) AN EFFICIENT, CONSISTENT, AND TRANSPARENT**
4 **CLAIMS RESOLUTION PROCESS; AND**

5 **(IV) THE PREVENTION OF DELAYS IN HEALTH CARE**
6 **PROVIDER REIMBURSEMENT.**

7 **(E) THE DEPARTMENT SHALL IMPLEMENT HEALTH CARE CLAIMS**
8 **AUDIT AND RECOVERY SERVICES TO:**

9 **(1) IDENTIFY PAYMENTS THAT THE DEPARTMENT DETERMINES**
10 **TO BE IMPROPER BASED ON NONFRAUDULENT ISSUES;**

11 **(2) AUDIT CLAIMS;**

12 **(3) OBTAIN HEALTH CARE PROVIDER REVIEW OF AUDIT RESULTS;**

13 **AND**

14 **(4) RECOVER PAYMENTS THAT THE DEPARTMENT HAS**
15 **IDENTIFIED AS OVERPAYMENTS.**

16 **(F) (1) THE DEPARTMENT SHALL CONDUCT AN AUTOMATED REVIEW**
17 **OF CLAIMS AFTER PAYMENT TO ENSURE THAT DIAGNOSES AND PROCEDURE**
18 **CODES ARE ACCURATE AND VALID.**

19 **(2) THE REVIEW CONDUCTED BY THE DEPARTMENT IN**
20 **PARAGRAPH (1) OF THIS SUBSECTION MAY INCLUDE A REVIEW OF:**

21 **(I) CODING COMPLIANCE FOR DIAGNOSIS-RELATED**
22 **GROUPS;**

23 **(II) PATIENT TRANSFERS;**

24 **(III) PATIENT READMISSIONS;**

25 **(IV) COST OUTLIERS;**

26 **(V) PAYMENT ERRORS; AND**

27 **(VI) BILLING ERRORS.**

1 **(G) (1) THE DEPARTMENT MAY CONTRACT WITH A VENDOR TO**
2 **IMPLEMENT THE CLINICAL CODE EDITING TECHNOLOGY REQUIRED UNDER THIS**
3 **SECTION BASED ON THE FOLLOWING REIMBURSEMENT MODELS:**

4 **(I) A PERCENTAGE OF ACHIEVED SAVINGS MODEL;**

5 **(II) A PER-BENEFICIARY PER MONTH MODEL;**

6 **(III) A PER-TRANSACTION MODEL; OR**

7 **(IV) A CASE-RATE MODEL.**

8 **(2) REIMBURSEMENT MODELS WITH A VENDOR MAY INCLUDE**
9 **PERFORMANCE GUARANTEES ON BEHALF OF THE VENDOR TO ENSURE THAT**
10 **THE SAVINGS IDENTIFIED EXCEED PROGRAM COSTS.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2013.