

**HB0298/856688/1**

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 298

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “altering” in line 9 down through “Assembly” in line 10 and substitute “requiring the Commission to submit to certain individuals and the General Assembly, beginning on a certain date, a certain update and, under certain circumstances, certain notification”; in line 14, after “facilities;” insert “requiring the Commission to develop certain guidelines, receive certain confirmation, and post certain budget agreements on the Commission’s Web site;”; and in line 25, after “circumstances;” insert “requiring certain facilities, health maintenance organizations, insurers, nonprofit health service plans, fraternal benefit societies, and certain managed care organizations to comply with a certain contract; requiring certain workgroups to consider certain matters and include the findings on the matters in a certain report;”.

On page 2, in line 1, after “19-207(b)(6),” insert “(7), and (8).”; in the same line, strike “and”; in the same line, after “19-219” insert “, and 19-710(e)”; after line 3, insert:

“BY adding to

Article – Health – General

Section 19-207(b)(9) and (10)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)”;

and after line 8, insert:

“BY repealing and reenacting, with amendments,

Article – Insurance

Section 15-604

(Over)

Annotated Code of Maryland  
(2011 Replacement Volume and 2013 Supplement)”.

AMENDMENT NO. 2

On page 2, strike in their entirety lines 21 through 23, inclusive; and in lines 24 and 31, strike “(iii)” and “(iv)”, respectively, and substitute “**(II)**” and “**(III)**”, respectively.

On page 3, in line 1, strike “(v)” and substitute “**(IV)**”; and after line 2, insert:

“(7) Oversee and administer the Maryland Trauma Physician Services Fund in conjunction with the Maryland Health Care Commission; [and]

(8) In consultation with the Maryland Health Care Commission, annually publish each acute care hospital’s severity–adjusted average charge per case for the 15 most common inpatient diagnosis–related groups;

(9) BEGINNING OCTOBER 1, 2014, AND, SUBJECT TO ITEM (10)(II) OF THIS SUBSECTION, EVERY 6 MONTHS THEREAFTER, SUBMIT TO THE GOVERNOR, THE SECRETARY, AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY AN UPDATE ON THE STATUS OF THE STATE’S COMPLIANCE WITH THE PROVISIONS OF MARYLAND’S ALL-PAYER MODEL CONTRACT, INCLUDING:

(I) THE STATE’S:

1. PERFORMANCE IN LIMITING INPATIENT AND OUTPATIENT HOSPITAL PER CAPITA COST GROWTH FOR ALL PAYERS TO A TREND BASED ON THE STATE’S 10-YEAR COMPOUND ANNUAL GROSS STATE PRODUCT;

2. PROGRESS TOWARD ACHIEVING AGGREGATE SAVINGS IN MEDICARE SPENDING IN THE STATE EQUAL TO OR GREATER THAN \$330,000,000 OVER THE 5 YEARS OF THE CONTRACT, BASED ON LOWER INCREASES IN THE COST PER MEDICARE BENEFICIARY;

3. PERFORMANCE IN SHIFTING FROM A PER-CASE RATE SYSTEM TO A POPULATION-BASED REVENUE SYSTEM, WITH AT LEAST 80% OF HOSPITAL REVENUE SHIFTED TO GLOBAL BUDGETING;

4. PERFORMANCE IN REDUCING THE HOSPITAL READMISSION RATE AMONG MEDICARE BENEFICIARIES TO THE NATIONAL AVERAGE; AND

5. PROGRESS TOWARD ACHIEVING A CUMULATIVE REDUCTION IN THE STATE HOSPITAL-ACQUIRED CONDITIONS OF 30% OVER THE 5 YEARS OF THE CONTRACT;

(II) A SUMMARY OF THE WORK CONDUCTED, RECOMMENDATIONS MADE, AND COMMISSION ACTION ON RECOMMENDATIONS MADE BY THE FOLLOWING GROUPS CREATED TO PROVIDE TECHNICAL INPUT AND ADVICE ON IMPLEMENTATION OF MARYLAND'S ALL-PAYER MODEL CONTRACT:

1. PAYMENT MODELS WORKGROUP;

2. PHYSICIAN ALIGNMENT AND ENGAGEMENT WORKGROUP;

3. PERFORMANCE MEASUREMENT WORKGROUP;
4. DATA AND INFRASTRUCTURE WORKGROUP;
5. HSCRC ADVISORY COUNCIL; AND
6. ANY OTHER WORKGROUPS CREATED FOR THIS PURPOSE;

(III) ACTIONS APPROVED AND CONSIDERED BY THE COMMISSION TO PROMOTE ALTERNATIVE METHODS OF RATE DETERMINATION AND PAYMENT OF AN EXPERIMENTAL NATURE, AS AUTHORIZED UNDER § 19-219(C)(2) OF THIS SUBTITLE;

(IV) REPORTS SUBMITTED TO THE FEDERAL CENTER FOR MEDICARE AND MEDICAID INNOVATION RELATING TO THE ALL-PAYER MODEL CONTRACT; AND

(V) ANY KNOWN ADVERSE CONSEQUENCES THAT IMPLEMENTING THE ALL-PAYER MODEL CONTRACT HAS HAD ON THE STATE, INCLUDING CHANGES OR INDICATIONS OF CHANGES TO QUALITY OR ACCESS TO CARE, AND THE ACTIONS THE COMMISSION HAS TAKEN TO ADDRESS AND MITIGATE THE CONSEQUENCES; AND

(10) IF THE CENTERS FOR MEDICARE AND MEDICAID SERVICES ISSUES A WARNING NOTICE RELATED TO A “TRIGGERING EVENT” AS DESCRIBED IN THE ALL-PAYER MODEL CONTRACT;

(I) PROVIDE WRITTEN NOTIFICATION TO THE GOVERNOR, THE SECRETARY, AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT

ARTICLE, THE GENERAL ASSEMBLY WITHIN 15 DAYS AFTER THE ISSUANCE OF THE NOTICE; AND

(II) SUBMIT THE UPDATE REQUIRED UNDER ITEM (9) OF THIS SUBSECTION EVERY 3 MONTHS.”.

AMENDMENT NO. 3

On page 3, in line 15, strike “and”; and in line 22, after “discrimination” insert “;

(6) DEVELOP GUIDELINES FOR THE ESTABLISHMENT OF GLOBAL BUDGETS FOR EACH FACILITY UNDER MARYLAND’S ALL-PAYER MODEL CONTRACT, INCLUDING GUIDELINES TO PREVENT FACILITIES FROM TAKING ACTIONS TO MEET A BUDGET THAT THE COMMISSION DETERMINES WOULD HAVE ADVERSE CONSEQUENCES FOR RECIPIENTS OR PURCHASERS OF SERVICES;

(7) RECEIVE CONFIRMATION FROM COMMISSION STAFF THAT FACILITY GLOBAL BUDGET AGREEMENTS, AS THEY ARE DEVELOPED, ARE CONSISTENT WITH THE GUIDELINES; AND

(8) AFTER REVIEW BY THE COMMISSION FOR COMPLIANCE WITH THE GUIDELINES, POST EACH EXECUTED GLOBAL BUDGET AGREEMENT ON THE COMMISSION’S WEB SITE”.

AMENDMENT NO. 4

On page 5, in line 19, after “shall” insert “;

(I)”;

in the same line, strike “charge” and substitute “CHARGE”; in line 20, after “subtitle” insert “;AND”

(II) COMPLY WITH THE APPLICABLE TERMS AND CONDITIONS OF MARYLAND’S ALL-PAYER MODEL CONTRACT APPROVED BY THE FEDERAL CENTER FOR MEDICARE AND MEDICAID INNOVATION”;

and after line 34, insert:

“19-710.

(e) The provisions of Title 4, Subtitle 3 (Risk Based Capital Standards for Insurers) AND § 15-604 (RATES FOR PAYMENTS TO HOSPITALS) of the Insurance Article apply to health maintenance organizations in the same manner as they apply to insurers.

Article – Insurance

15-604.

Each authorized insurer, nonprofit health service plan, and fraternal benefit society, and each managed care organization that is authorized to receive Medicaid prepaid capitation payments under Title 15, Subtitle 1 of the Health - General Article, shall:

(1) pay hospitals for hospital services rendered on the basis of the rate approved by the Health Services Cost Review Commission; AND

(2) COMPLY WITH THE APPLICABLE TERMS AND CONDITIONS OF MARYLAND’S ALL-PAYER MODEL CONTRACT APPROVED BY THE FEDERAL CENTER FOR MEDICARE AND MEDICAID INNOVATION.”.

AMENDMENT NO. 5

On page 6, in line 1, after “2.” insert “AND BE IT FURTHER ENACTED, That the appropriate workgroup or workgroups that have been created by the Health Services Cost Review Commission to provide technical input and advice on implementation of Maryland’s new all-payer model contract shall consider the impact and implications that defensive medicine has on hospital costs and the goals underlying the all-payer model contract. The findings of the appropriate workgroup or workgroups on this matter shall be included in the appropriate workgroup report submitted to the Commission.”

SECTION 3.”.