

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 736 (Delegate West, *et al.*)  
Health and Government Operations

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Workgroup to Recommend Possible Reforms to Maryland's Health Care System

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This bill requires the Secretary of Health and Mental Hygiene to convene a workgroup to recommend possible reforms to the State's health care system if (1) the federal Patient Protection and Affordable Care Act (ACA) is repealed or reformed; (2) Medicaid is reformed in a way that has a significant impact on Maryland's health care system; (3) developments at the federal level have a significant impact on the operation of the Maryland Health Benefit Exchange (MHBE); or (4) the all-payer model contract is terminated or not renewed. If convened, the workgroup must report its findings and recommendations to the Governor and the General Assembly by January 10, 2018.

The bill takes effect July 1, 2017, and terminates June 30, 2018.

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Fiscal Summary

**State Effect:** If the workgroup is convened, any expenses related to the workgroup can likely be absorbed within existing budgeted resources by the participating State agencies. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** If convened, the workgroup must (1) study and assess how developments at the federal level may affect the State's health care system and (2) make recommendations regarding how to reform the State's health care system to best protect the health care of the residents of Maryland in an affordable way.

The workgroup consists of specified members of the Senate of Maryland and House of Delegates, the Attorney General (or designee), the Secretary of Health and Mental Hygiene (or designee), the Secretary of Budget and Management (or designee), the Maryland Insurance Commissioner (or designee), the Executive Director of the Maryland Health Care Commission (or designee), the Executive Director of the Health Services Cost Review Commission (or designee), and specified representatives of the health care industry. The Secretary of Health and Mental Hygiene (or designee) must chair the workgroup.

**Background:** Since passage of the ACA in 2010, Maryland has brought State health insurance laws into compliance with federal consumer protections, standardized the premium rate review and approval process, established MHBE, expanded Medicaid, and repealed the Maryland Health Insurance Plan.

In January 2017, the Department of Legislative Services released a report, [\*Assessing the Impact of Health Care Reform in Maryland\*](#). The report noted that, based on review of available data, Maryland has observed a significant increase in health care coverage under the ACA through the expansion of Medicaid (291,000 individuals) and establishment of MHBE (142,872 individuals) and a corresponding decrease in the uninsured rate by more than one-third. The report found that repeal or substantial amendment of the ACA could have a tremendous impact on Maryland, including the all-payer model contract that governs hospital rate setting, and will require the General Assembly to consider significant financial and policy issues and then make decisions, such as whether to maintain and how to fund both the Medicaid expansion and MHBE.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene; Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2017  
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