

HOUSE BILL 1574

J1

8lr3146
CF 8lr3309

By: Delegates Hill, Flanagan, ~~and Lam Lam~~, Pendergrass, Bromwell, Angel, Barron, Cullison, Hayes, Kelly, Kipke, Krebs, McDonough, Metzgar, Miele, Morales, Morgan, Pena-Melnyk, Rosenberg, Sample-Hughes, West, and K. Young

Introduced and read first time: February 9, 2018
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 25, 2018

CHAPTER _____

1 AN ACT concerning

2 ~~Maryland Medical Assistance Program~~ Maryland Health Care Commission –
3 Health Record and Payment Clearinghouse Pilot Integration Program Advisory
4 Committee

5 FOR the purpose of ~~establishing~~ requiring the Maryland Health Care Commission to
6 establish a ~~Maryland Health Record and Payment Clearing House Pilot Integration~~
7 Program Advisory Committee; ~~requiring the Maryland Department of Health on or~~
8 ~~before a certain date to identify a certain group to which the Pilot Program shall~~
9 ~~apply; requiring the Department on or before a certain date to collaborate with the~~
10 ~~Maryland Health Care Commission to implement the Maryland Health Record and~~
11 ~~Payment Clearing House Pilot Program; requiring the Commission to develop the~~
12 ~~Maryland Health Record and Payment Clearing House Pilot Program with certain~~
13 ~~features on or before a certain date; specifying the capabilities the health record and~~
14 ~~payment clearinghouse must have; requiring the Commission to monitor the~~
15 ~~operation of the Maryland Health Record and Payment Clearing House Pilot~~
16 ~~Program; requiring the Commission to report on the status and implementation of~~
17 ~~the Maryland Health Record and Payment Clearing House Pilot Program to the~~
18 ~~Senate Education, Health, and Environmental Affairs Committee and the House~~
19 ~~Health and Government Operations Committee on or before a certain date each year;~~
20 ~~requiring the Commission, on or before a certain date, to research and evaluate~~
21 ~~existing public and private health record and payment clearinghouses; requiring the~~
22 Commission to select members of the Advisory Committee from certain persons;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 requiring the Advisory Committee to study the feasibility of creating a health record
 2 and payment integration program, certain approaches, and certain other issues;
 3 authorizing the Advisory Committee, to the extent allowed by law, to use certain
 4 information in carrying out its duties; requiring the Commission to submit a certain
 5 report on certain recommendations and requests for financing the establishment and
 6 maintenance of the Maryland Health Record and Payment Clearing House Pilot
 7 Program to the Governor and the General Assembly on or before a certain date;
 8 defining a certain term; providing for the termination of this Act; and generally
 9 relating to the Maryland Health Record and Payment Clearing House Pilot
 10 Integration Program Advisory Committee.

11 ~~BY adding to~~
 12 ~~Article — Health — General~~
 13 ~~Section 19-150 and 19-151 to be under the new part “Part VI. Health Record and~~
 14 ~~Payment Clearinghouse Pilot Program”~~
 15 ~~Annotated Code of Maryland~~
 16 ~~(2015 Replacement Volume and 2017 Supplement)~~

17 ~~Preamble~~

18 ~~WHEREAS, Maryland has been a leader in health care financing, research, and~~
 19 ~~treatment; and~~

20 ~~WHEREAS, The cost of health care continues to rise, resulting in many individuals~~
 21 ~~not being able to afford health care, despite near universal coverage; and~~

22 ~~WHEREAS, The cost of health care in the United States is among the highest in the~~
 23 ~~world, yet the measures of the effectiveness of our health care system are well below those~~
 24 ~~of other advanced countries; and~~

25 ~~WHEREAS, The high administrative cost of our current health care system is~~
 26 ~~between 3.1% and 31% of every dollar spent on health care; and~~

27 ~~WHEREAS, Health care billing, reimbursement, and record sharing are largely~~
 28 ~~unintegrated and contribute significantly to administrative costs; and~~

29 ~~WHEREAS, Technologies are available and are already in place in other countries~~
 30 ~~that could positively impact health care delivery and allow improved, secure~~
 31 ~~interoperability and compatibility of systems for immediate online record keeping, billing,~~
 32 ~~payment, and reporting; and~~

33 ~~WHEREAS, A card with a credit card-like magnetic strip and added biometric and~~
 34 ~~password protections can provide secure access to a patient’s health insurance and health~~
 35 ~~history information by accessing secure servers over the Internet; and~~

36 ~~WHEREAS, The implementation of such a system in the State, and ultimately in the~~
 37 ~~entire United States, could reduce the cost of health care by up to 15% or more, with some~~

1 ~~estimated yearly savings for Maryland exceeding \$6.2 billion and for the United States~~
2 ~~exceeding \$350 billion per year; and~~

3 ~~WHEREAS, Health care is approximately 16% to 18% of the cost of most products~~
4 ~~purchased; and~~

5 ~~WHEREAS, A savings of 10% in the cost of health care could reduce the cost of many~~
6 ~~products by up to 1.8%; and~~

7 ~~WHEREAS, The benefits of streamlining the administration of health care extend~~
8 ~~well beyond the field of health care; and~~

9 ~~WHEREAS, The introduction of rapid and secure electronic access to patient records~~
10 ~~may improve the timeliness of the provision of health care and reduce the cost of health~~
11 ~~care while improving the quality of health care; and~~

12 ~~WHEREAS, Reductions in the cost of health care will improve access to health care;~~
13 ~~and~~

14 ~~WHEREAS, Patients can decide individually if they wish to allow their electronic~~
15 ~~health records, without any personal identifying information, to be used for health care~~
16 ~~research in order to help others; and~~

17 ~~WHEREAS, Reporting matters of public health interest can be accomplished rapidly~~
18 ~~and accurately with electronic systems, leading to improvements in public health; and~~

19 ~~WHEREAS, State government will benefit from reducing the cost of health care for~~
20 ~~its employees and reduced cost of goods produced in Maryland; and~~

21 ~~WHEREAS, Maryland can serve as a test state for all of the United States and can~~
22 ~~seek federal grants to assist with the project; and~~

23 ~~WHEREAS, Government is uniquely positioned to set the standards for an electronic~~
24 ~~payment and health care records system and lead the way for participation by private~~
25 ~~industry; and~~

26 ~~WHEREAS, The Maryland Health Care Commission is an independent regulatory~~
27 ~~agency whose mission is to plan for health system needs, promote informed decision~~
28 ~~making, increase accountability, and improve access in a rapidly changing health care~~
29 ~~environment by providing timely and accurate information on availability, cost, and quality~~
30 ~~of services to policy makers, purchasers, providers, and the public; and~~

31 ~~WHEREAS, Part of the Commission's vision for Maryland is to ensure that informed~~
32 ~~consumers have access to affordable and appropriate health care services through~~
33 ~~programs that serve as models for the nation; and~~

1 ~~WHEREAS, In 2012, the Maryland Medical Assistance Program served over 88,000~~
2 ~~recipients eligible for full Medicaid and Medicare benefits; and~~

3 ~~WHEREAS, Through a grant from the Center for Medicare and Medicaid Innovation~~
4 ~~for Round Two of the State Innovation Model, Maryland is developing a strategy to~~
5 ~~integrate health care delivery for individuals who are dually eligible for both the Medicaid~~
6 ~~and Medicare health care programs; and~~

7 ~~WHEREAS, The Maryland Children's Health Program gives full health benefits for~~
8 ~~children under the age of 19 years, and enrollees obtain care from a variety of Managed~~
9 ~~Care Organizations through the Maryland HealthChoice Program; and~~

10 ~~WHEREAS, The Maryland Medical Assistance Program is administered by~~
11 ~~Maryland for Marylanders and through Maryland-based health care providers and~~
12 ~~facilities; and~~

13 ~~WHEREAS, The Maryland Medicaid Advisory Committee improves and maintains~~
14 ~~the quality of the Maryland HealthChoice Program by assisting the Maryland Department~~
15 ~~of Health with the implementation, operation, and evaluation of the Maryland Medical~~
16 ~~Assistance Program; and~~

17 ~~WHEREAS, The Maryland State Medical Society (MedChi) and the Maryland~~
18 ~~Psychiatric Society have already passed resolutions endorsing the concept of an electronic~~
19 ~~payment and health care records system; and~~

20 ~~WHEREAS, It is in the public interest that the State government provide grants and~~
21 ~~incentives to set up an electronic system for providing health care to State employees and~~
22 ~~for the benefit of all Marylanders; now, therefore,~~

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

25 (a) The Maryland Health Care Commission shall establish a Health Record and
26 Payment Integration Program Advisory Committee.

27 (b) The Commission shall select the members of the Health Record and Payment
28 Integration Program Advisory Committee from:

29 (1) managed care organizations, as defined in § 15-101 of the Health –
30 General Article;

31 (2) individuals licensed, certified, or registered under the Health
32 Occupations Article to provide health care;

33 (3) facilities that provide health care to individuals; and

34 (4) persons that provide health care supplies or medications.

1 (c) The Health Record and Payment Integration Program Advisory Committee
2 shall study:

3 (1) the feasibility of creating a health record and payment integration
4 program, including:

5 (i) the feasibility of incorporating administrative health care claim
6 transactions into the State–designated health information exchange established under §
7 19–143 of the Health – General Article for the purpose of improving health care
8 coordination and encounter notification;

9 (ii) the feasibility of establishing a free and secure web–based portal
10 that providers can use, regardless of the method of payment being used for health care
11 services, to:

12 1. create and maintain health records; and

13 2. file for payment for health care services provided; and

14 (iii) the feasibility of incorporating prescription drug monitoring
15 program data into the State–designated health information exchange so that prescription
16 drug data can be entered and retrieved;

17 (2) approaches for accelerating the adjudication of clean claims; and

18 (3) any other issue that the Commission considers appropriate to study to
19 further health and payment record integration.

20 (d) The Health Record and Payment Integration Program Advisory Committee,
21 to the extent allowed under law, may use the information collected by the State–designated
22 health information exchange established under § 19–143(b) of the Health – General Article
23 in carrying out its duties under subsection (c) of this section.

24 (e) (1) On or before November 1, 2019, the Commission shall submit the
25 findings and recommendations of the Health Record and Payment Integration Program
26 Advisory Committee to report to the Governor and, in accordance with § 2–1246 of the State
27 Government Article, the General Assembly.

28 (2) If the Health Record and Payment Integration Program Advisory
29 Committee recommends the creation of a health record and payment integration program,
30 the report submitted under paragraph (1) of this subsection shall include:

31 (i) recommendations regarding statutory language to establish and
32 maintain the health record and payment integration program; and

1 (ii) an estimate of the funding required to support the health record
2 and payment integration program.

3 ~~Article Health General~~

4 ~~PART VI. HEALTH RECORD AND PAYMENT CLEARINGHOUSE PILOT PROGRAM.~~

5 ~~19-150.~~

6 ~~IN THIS PART, "HEALTH RECORD AND PAYMENT CLEARINGHOUSE" MEANS~~
7 ~~THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE ESTABLISHED UNDER §~~
8 ~~19-151(C) OF THIS SUBTITLE.~~

9 ~~19-151.~~

10 ~~(A) THERE IS A MARYLAND HEALTH RECORD AND PAYMENT CLEARING~~
11 ~~HOUSE PILOT PROGRAM.~~

12 ~~(B) THE DEPARTMENT SHALL:~~

13 ~~(1) ON OR BEFORE DECEMBER 31, 2018, IDENTIFY A PROGRAM,~~
14 ~~GROUP, OR PATIENT POPULATION WITHIN THE MARYLAND MEDICAL ASSISTANCE~~
15 ~~PROGRAM TO WHICH THE HEALTH RECORD AND PAYMENT CLEARING HOUSE~~
16 ~~PILOT PROGRAM DEVELOPED UNDER SUBSECTION (C) OF THIS SECTION WILL~~
17 ~~APPLY; AND~~

18 ~~(2) ON OR BEFORE JULY 1, 2020, COLLABORATE WITH THE~~
19 ~~COMMISSION TO IMPLEMENT THE HEALTH RECORD AND PAYMENT CLEARING~~
20 ~~HOUSE PILOT PROGRAM DEVELOPED UNDER SUBSECTION (C) OF THIS SECTION.~~

21 ~~(C) ON OR BEFORE JULY 1, 2019, THE COMMISSION SHALL DEVELOP THE~~
22 ~~HEALTH RECORD AND PAYMENT CLEARING HOUSE PILOT PROGRAM WITHIN THE~~
23 ~~DEPARTMENT FOR THE GROUP THAT THE DEPARTMENT IDENTIFIES UNDER~~
24 ~~SUBSECTION (B)(1) OF THIS SECTION THAT:~~

25 ~~(1) BUILDS ON THE WORK OF THE CHESAPEAKE REGIONAL~~
26 ~~INFORMATION SYSTEM FOR OUR PATIENTS;~~

27 ~~(2) ALLOWS AUTHORIZED USERS TO ACCESS AND ENTER PATIENT~~
28 ~~MEDICAL RECORDS REMOTELY AT THE POINT OF SERVICE;~~

29 ~~(3) ALLOWS THE EXCHANGE OF DATA BETWEEN SYSTEMS USED BY~~
30 ~~PROVIDERS AND CARRIERS FOR THE PAYMENT OF HEALTH CARE CLAIMS;~~

1 ~~(4) INTERACTS WITH THE PRESCRIPTION DRUG MONITORING~~
2 ~~PROGRAM SO THAT PRESCRIPTION DRUG DATA CAN BE ENTERED AND RETRIEVED~~
3 ~~THROUGH THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE;~~

4 ~~(5) MEETS FEDERAL AND STATE REQUIREMENTS REGARDING THE~~
5 ~~CONFIDENTIALITY OF MEDICAL RECORDS;~~

6 ~~(6) IS AVAILABLE SECURELY ONLINE;~~

7 ~~(7) INCLUDES STANDARDS FOR:~~

8 ~~(I) THE COLLECTION, STORAGE, AND SHARING OF HEALTH~~
9 ~~CARE RECORDS; AND~~

10 ~~(II) HEALTH CARE REIMBURSEMENT REQUESTS FOR SERVICES~~
11 ~~DELIVERED UNDER THE PILOT PROGRAM TO BE FILED AND REMITTED THROUGH~~
12 ~~THE CLEARING HOUSE; AND~~

13 ~~(8) INCLUDES REQUIREMENTS FOR MAINTAINING DATA ABOUT EACH~~
14 ~~PATIENT THAT THE COMMISSION DETERMINES IS NECESSARY, WHICH MAY INCLUDE~~
15 ~~INFORMATION ON THE PATIENT'S:~~

16 ~~(I) DEMOGRAPHICS;~~

17 ~~(II) INSURANCE COVERAGE;~~

18 ~~(III) DIAGNOSES;~~

19 ~~(IV) MEDICATIONS;~~

20 ~~(V) ALLERGIES;~~

21 ~~(VI) ADVERSE REACTIONS;~~

22 ~~(VII) HOSPITALIZATIONS;~~

23 ~~(VIII) TREATMENTS;~~

24 ~~(IX) HEALTH CARE PROVIDERS;~~

25 ~~(X) VACCINATIONS; AND~~

26 ~~(XI) LABORATORY TESTS AND RESULTS.~~

~~(D) THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE DEVELOPED AS PART OF THE HEALTH RECORD AND PAYMENT CLEARING HOUSE PILOT PROGRAM SHALL:~~

~~(1) CREATE AND MAINTAIN ACCESS SECURITY LOGS;~~

~~(2) INCLUDE SECURITY AND BACKUP SAFEGUARDS;~~

~~(3) INDICATE WHEN A PORTION OF A HEALTH RECORD MAINTAINED ELSEWHERE IS OFFLINE AND PROVIDE MINIMAL DATA, AS DETERMINED BY THE COMMISSION, REGARDING THE RECORD;~~

~~(4) INCLUDE A FREE AND SECURE WEB-BASED PORTAL THAT PROVIDERS CAN USE WITHOUT REGARD TO THE METHOD OF PAYMENT BEING USED FOR A HEALTH CARE SERVICE TO:~~

~~(I) CREATE, MAINTAIN, AND PROVIDE ACCESS BY AUTHORIZED INDIVIDUALS TO HEALTH RECORDS; AND~~

~~(II) FILE FOR PAYMENT FOR HEALTH CARE SERVICES PROVIDED;~~

~~(5) PROVIDE FOR THE DETERMINATION AND COLLECTION OF ALL BENEFITS, COPAYS, AND DEDUCTIBLES AT THE POINT OF SERVICE WITH:~~

~~(I) CLAIM ADJUDICATION WITHIN 24 HOURS; OR~~

~~(II) NOTIFICATION WITHIN 48 HOURS THAT ADDITIONAL INFORMATION IS NEEDED TO PROCESS THE CLAIM AND OF THE TYPE OF INFORMATION THAT IS NEEDED.~~

~~(6) PROVIDE FOR THE IMMEDIATE ANSWERING OF QUESTIONS REGARDING COVERED SERVICES AND BENEFITS AT THE POINT OF SERVICE;~~

~~(7) PROVIDE FOR THE SUBMISSION OF AN ELECTRONIC RECORD OF HEALTH CARE SERVICES, SUPPLIES, AND MEDICATIONS PROVIDED OR PRESCRIBED IN ORDER FOR PAYMENT TO BE RECEIVED;~~

~~(8) PROVIDE FOR THE FORMAT AND CONTENT OF THE MINIMUM MEDICAL RECORD DATA SET REQUIRED FOR PAYMENT THROUGH THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE;~~

~~(9) INCLUDE THE ABILITY TO PROVIDE REQUIRED DATA SECURELY OVER THE INTERNET WITHOUT REQUIRING PROVIDERS OR SUPPLIERS TO PAY FOR~~

~~1 PROPRIETARY SOFTWARE, OTHER THAN PAYING ANY USER FEE TO COVER THE COST
2 OF STARTUP AND OPERATIONS OF THE HEALTH RECORD AND PAYMENT
3 CLEARINGHOUSE;~~

~~4 (10) ALLOW FOR THE USE OF PROPRIETARY ELECTRONIC MEDICAL
5 RECORD CODING AND BILLING SOFTWARE THAT MAY ALREADY BE USED BY
6 PROVIDERS TO INTERACT WITH THE HEALTH RECORD AND PAYMENT
7 CLEARINGHOUSE TO PROVIDE AND OBTAIN ALL INFORMATION AND PAYMENTS
8 NEEDED FOR HEALTH CARE SERVICES;~~

~~9 (11) ENSURE THAT EACH PATIENT HAS A UNIQUE IDENTIFIER
10 ASSIGNED AND MAINTAINED CENTRALLY BY THE DEPARTMENT;~~

~~11 (12) DIRECT DATA REQUESTS TO THE CORRECT SERVER OR RECORD
12 HOLDER AND ALLOW FOR MULTIPLE SERVERS OR RECORD HOLDERS TO HOUSE
13 SOME OR ALL OF THE INFORMATION FOR EACH PATIENT;~~

~~14 (13) ALLOW EACH PATIENT TO INDICATE WHETHER OR NOT THE
15 PATIENT WANTS TO ALLOW RESEARCHERS TO ANONYMOUSLY ACCESS THE
16 PATIENT'S HEALTH CARE RECORDS AND TO WITHDRAW PERMISSION ONCE GIVEN;~~

~~17 (14) ALLOW FOR SECURE ACCESS THROUGH SPECIFIC TERMINALS BY
18 EMERGENCY ROOM PERSONNEL WHEN A PATIENT IS UNABLE TO PROVIDE
19 INFORMATION THAT WOULD BE REQUIRED TO ACCESS THE PATIENT'S INFORMATION
20 THROUGH THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE;~~

~~21 (15) INCLUDE THE OPTION AFTER THE FIRST YEAR OF THE PILOT
22 PROGRAM TO USE HEALTH CARDS THAT:~~

~~23 (I) INCLUDE A COMBINATION OF CREDIT CARDS, DEBIT CARDS,
24 AND HEALTH SAVINGS CARDS; AND~~

~~25 (II) PROVIDE INFORMATION, LINKAGES, AND PAYMENTS SO
26 THAT ONLY ONE CARD IS REQUIRED TO COMPLETE ALL ASPECTS OF A HEALTH CARE
27 PAYMENT;~~

~~28 (16) ALLOW FOR ONLINE AND OFFLINE APPEAL OF DENIED SERVICES,
29 BENEFITS, OR PAYMENTS;~~

~~30 (17) SUPPORT A HIGH VOLUME OF SIMULTANEOUS USERS, BASED ON
31 THE TOTAL NUMBER OF PROVIDERS IN THE STATE;~~

~~32 (18) BE COMPATIBLE WITH BOTH THE WINDOWS AND THE MACINTOSH
33 OPERATING SYSTEMS; AND~~

1 ~~(19) MEET ANY OTHER STANDARDS DEVELOPED AND REQUIRED BY~~
 2 ~~THE COMMISSION.~~

3 ~~(E) THE COMMISSION SHALL MONITOR THE OPERATION OF THE MARYLAND~~
 4 ~~HEALTH RECORD AND PAYMENT CLEARING HOUSE PILOT PROGRAM.~~

5 ~~(F) ON OR BEFORE DECEMBER 31, 2022, AND DECEMBER 31 EACH YEAR~~
 6 ~~THEREAFTER, THE COMMISSION SHALL SUBMIT A STATUS REPORT ON THE~~
 7 ~~IMPLEMENTATION OF THE MARYLAND HEALTH RECORD AND PAYMENT CLEARING~~
 8 ~~HOUSE PILOT PROGRAM TO THE SENATE EDUCATION, HEALTH, AND~~
 9 ~~ENVIRONMENTAL AFFAIRS COMMITTEE AND THE HOUSE HEALTH AND~~
 10 ~~GOVERNMENT OPERATIONS COMMITTEE IN ACCORDANCE WITH § 2-1246 OF THE~~
 11 ~~STATE GOVERNMENT ARTICLE.~~

12 ~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~

13 ~~(a) On or before December 31, 2018, the Maryland Health Care Commission shall~~
 14 ~~research and evaluate existing public and private health record and payment~~
 15 ~~clearinghouses.~~

16 ~~(b) On or before March 15, 2019, the Commission shall report to the Governor~~
 17 ~~and, in accordance with § 2-1246 of the State Government Article, the General Assembly~~
 18 ~~on:~~

19 ~~(1) recommendations regarding financing the establishment and~~
 20 ~~maintenance of the Health Record and Payment Clearing House Pilot Program under §~~
 21 ~~19-151(e) of the Health General Article, as enacted by Section 1 of this Act, beginning~~
 22 ~~with fiscal year 2020; and~~

23 ~~(2) funding requests for the Health Record and Payment Clearing House~~
 24 ~~Pilot Program.~~

25 ~~SECTION 3. 2. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
 26 ~~July 1, 2018. Section 1 of this Act It shall remain effective for a period of 6 2 years and, at~~
 27 ~~the end of June 30, 2024 2020, Section 1 of this Act, with no further action required by the~~
 28 ~~General Assembly, shall be abrogated and of no further force and effect. Section 2 of this~~
 29 ~~Act shall remain effective for a period of 1 year and, at the end of July 1, 2019, Section 2 of~~
 30 ~~this Act, with no further action required by the General Assembly, shall be abrogated and~~
 31 ~~of no further force and effect.~~