

HOUSE BILL 1104

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By: **Chair, Health and Government Operations Committee (By Request – Departmental – Health)**

Introduced and read first time: February 5, 2025

Assigned to: Health and Government Operations and Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 1, 2025

CHAPTER _____

1 AN ACT concerning

2 **Maryland Department of Health – AHEAD Model Implementation – Electronic**
3 **Health Care Transactions and Population Health Improvement Fund**

4 FOR the purpose of clarifying that electronic health care transactions information may be
5 used to support the participation of the State in the States Advancing All–Payer
6 Health Equity Approaches and Development (AHEAD) Model and any successor
7 models; establishing the Population Health Improvement Fund as a special,
8 nonlapsing fund to invest in population health improvements to support the
9 statewide population health targets under the AHEAD Model and any successor
10 models; requiring that interest earnings of the Fund be credited to the Fund;
11 authorizing the Health Services Cost Review Commission to assess a certain amount
12 in hospital rates to be credited to the Fund; and generally relating to the
13 implementation of the AHEAD Model.

14 BY repealing and reenacting, with amendments,
15 Article – Health – General
16 Section 4–302.3(f)(3)(i), (h)(1), and (j)(3)
17 Annotated Code of Maryland
18 (2023 Replacement Volume and 2024 Supplement)

19 BY adding to
20 Article – Health – General
21 Section 13–5501 and 13–5502 to be under the new subtitle “Subtitle 55. Population
22 Health Improvement Fund”

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 Annotated Code of Maryland
2 (2023 Replacement Volume and 2024 Supplement)

3 BY repealing and reenacting, without amendments,
4 Article – State Finance and Procurement
5 Section 6–226(a)(2)(i)
6 Annotated Code of Maryland
7 (2021 Replacement Volume and 2024 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article – State Finance and Procurement
10 Section 6–226(a)(2)(ii)204. and 205.
11 Annotated Code of Maryland
12 (2021 Replacement Volume and 2024 Supplement)

13 BY adding to
14 Article – State Finance and Procurement
15 Section 6–226(a)(2)(ii)206.
16 Annotated Code of Maryland
17 (2021 Replacement Volume and 2024 Supplement)

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

20 **Article – Health – General**

21 4–302.3.

22 (f) (3) (i) If approved by the Maryland Health Care Commission, the
23 information submitted under paragraph (1) of this subsection may be combined with other
24 data maintained by the State–designated health information exchange to facilitate:

- 25 1. A State health improvement program;
- 26 2. Mitigation of a public health emergency; [and]
- 27 3. Improvement of patient safety; AND

28 4. **THE PARTICIPATION OF THE STATE IN THE CENTER**
29 **FOR MEDICARE AND MEDICAID INNOVATION’S STATES ADVANCING ALL–PAYER**
30 **HEALTH EQUITY APPROACHES AND DEVELOPMENT (AHEAD) MODEL AND ANY**
31 **SUCCESSOR MODELS.**

32 (h) (1) An electronic health network shall provide electronic health care
33 transactions to the State–designated health information exchange for the following public
34 health and clinical purposes:

1 (i) A State health improvement program;

2 (ii) Mitigation of a public health emergency; [and]

3 (iii) Improvement of patient safety; AND

4 (IV) THE PARTICIPATION OF THE STATE IN THE CENTER FOR
5 MEDICARE AND MEDICAID INNOVATION'S STATES ADVANCING ALL-PAYER
6 HEALTH EQUITY APPROACHES AND DEVELOPMENT (AHEAD) MODEL AND ANY
7 SUCCESSOR MODELS.

8 (j) (3) Regulations adopted under paragraph (1) of this subsection [shall]:

9 (i) [Limit] SHALL LIMIT redisclosure of financial information,
10 including billed or paid amounts available in electronic claims transactions;

11 (II) MAY NOT RESTRICT THE STATE'S USE OF FINANCIAL
12 INFORMATION, INCLUDING BILLED OR PAID AMOUNTS AVAILABLE IN ELECTRONIC
13 CLAIMS TRANSACTIONS, FOR PUBLIC HEALTH PURPOSES RELATED TO THE
14 PARTICIPATION OF THE STATE IN THE CENTER FOR MEDICARE AND MEDICAID
15 INNOVATION'S STATES ADVANCING ALL-PAYER HEALTH EQUITY APPROACHES
16 AND DEVELOPMENT (AHEAD) MODEL AND ANY SUCCESSOR MODELS;

17 [(ii)] (III) [Restrict] SHALL RESTRICT data of patients who have
18 opted out of records sharing through the State-designated health information exchange or
19 a health information exchange authorized by the Maryland Health Care Commission;

20 [(iii)] (IV) [Restrict] SHALL RESTRICT data from health care
21 providers that possess sensitive health care information; and

22 [(iv)] (V) [Restrict] SHALL RESTRICT data of patients who have
23 obtained legally protected health care.

24 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
25 as follows:

26 Article – Health – General

27 **SUBTITLE 55. POPULATION HEALTH IMPROVEMENT FUND.**

28 **13-5501.**

29 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
30 INDICATED.

1 (B) "AHEAD MODEL" MEANS THE STATES ADVANCING ALL-PAYER
2 HEALTH EQUITY APPROACHES AND DEVELOPMENT MODEL ADMINISTERED BY THE
3 CENTER FOR MEDICARE AND MEDICAID INNOVATION.

4 (C) "FUND" MEANS THE POPULATION HEALTH IMPROVEMENT FUND.

5 (D) "STATEWIDE HEALTH EQUITY PLAN" MEANS THE EQUITY PLAN
6 REQUIRED UNDER THE AHEAD MODEL STATE AGREEMENT WITH THE CENTER
7 FOR MEDICARE AND MEDICAID SERVICES.

8 13-5502.

9 (A) THERE IS A POPULATION HEALTH IMPROVEMENT FUND.

10 (B) THE PURPOSE OF THE FUND IS TO INVEST IN POPULATION HEALTH
11 IMPROVEMENTS TO SUPPORT THE STATEWIDE POPULATION HEALTH TARGETS
12 UNDER THE AHEAD MODEL AND ANY SUCCESSOR MODELS.

13 (C) THE DEPARTMENT AND THE HEALTH SERVICES COST REVIEW
14 COMMISSION JOINTLY SHALL ADMINISTER THE FUND.

15 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
16 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

17 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
18 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

19 (E) THE FUND CONSISTS OF:

20 (1) THE REVENUES FROM THE UNIFORM, BROAD-BASED
21 ASSESSMENT MADE UNDER SUBSECTION (K) OF THIS SECTION;

22 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

23 (3) INTEREST EARNINGS; AND

24 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
25 THE BENEFIT OF THE FUND.

26 (F) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND
27 MAY BE USED ONLY FOR EXPENSES ASSOCIATED WITH STATEWIDE POPULATION
28 HEALTH IMPROVEMENT INITIATIVES IN ALIGNMENT WITH THE STATEWIDE HEALTH
29 EQUITY PLAN AS DIRECTED BY THE SECRETARY.

1 **(2) ACTIVITIES PAID FOR BY THE FUND MUST SUPPORT THE GOAL OF**
2 **MEETING THE STATEWIDE POPULATION HEALTH TARGETS OUTLINED IN THE**
3 **AHEAD MODEL STATE AGREEMENT WITH THE CENTER FOR MEDICARE AND**
4 **MEDICAID SERVICES AND HAVE AT LEAST ONE OF THE FOLLOWING FUNCTIONS:**

5 **(I) REDUCING RATES OF COMMON PREVENTABLE HEALTH**
6 **CONDITIONS;**

7 **(II) ADDRESSING HEALTH-RELATED SOCIAL NEEDS; OR**

8 **(III) REDUCING OR ELIMINATING HEALTH DISPARITIES.**

9 **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
10 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

11 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
12 **THE FUND.**

13 **(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
14 **WITH THE STATE BUDGET.**

15 **(I) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS NOT**
16 **INTENDED TO TAKE THE PLACE OF FUNDING THAT WOULD OTHERWISE BE**
17 **APPROPRIATED FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM.**

18 **(J) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE**
19 **AUDITS AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.**

20 ~~**(K) (1) EACH YEAR, THE HEALTH SERVICES COST REVIEW COMMISSION**~~
21 ~~**MAY ASSESS A UNIFORM, BROAD-BASED, AND REASONABLE AMOUNT IN HOSPITAL**~~
22 ~~**RATES TO BE CREDITED TO THE FUND.**~~

23 ~~**(2) FUNDS GENERATED FROM THE ASSESSMENT UNDER PARAGRAPH**~~
24 ~~**(1) OF THIS SUBSECTION MAY BE USED ONLY FOR THE EXPENSES DESCRIBED IN**~~
25 ~~**SUBSECTION (F) OF THIS SECTION.**~~

26 **(K) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, EACH YEAR OF**
27 **THE TOTAL COST OF CARE MODEL, THE AHEAD MODEL, OR ANY SUCCESSOR**
28 **MODEL, THE HEALTH SERVICES COST REVIEW COMMISSION MAY ASSESS A**
29 **UNIFORM, BROAD-BASED, AND REASONABLE AMOUNT IN HOSPITAL RATES TO BE**
30 **CREDITED TO THE FUND.**

1 **(2) THE HEALTH SERVICES COST REVIEW COMMISSION SHALL**
 2 **INCLUDE THE FULL AMOUNT OF THE ASSESSMENT AUTHORIZED UNDER PARAGRAPH**
 3 **(1) OF THIS SUBSECTION IN THE HOSPITAL RATES.**

4 **(3) ANY FUNDS GENERATED FROM THE ASSESSMENT AUTHORIZED**
 5 **UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE USED ONLY FOR THE**
 6 **EXPENSES DESCRIBED IN SUBSECTION (F) OF THIS SECTION.**

7 **(L) (1) ON OR BEFORE JULY 1 EACH YEAR, BEGINNING IN 2026, THE**
 8 **DEPARTMENT SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN**
 9 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.**

10 **(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**
 11 **SUBSECTION SHALL:**

12 **(I) REFLECT THE REQUIRED ELEMENTS OF THE ANNUAL**
 13 **PROGRESS REPORT AS OUTLINED IN THE STATE AGREEMENT AND SHALL INCLUDE:**

14 **1. MEASURES OF EFFECTIVENESS FOR FUNDED**
 15 **PROGRAMS AND TARGETED POPULATIONS;**

16 **2. ANY IMPACT ON HEALTH OUTCOMES AND HEALTH**
 17 **DISPARITIES; AND**

18 **3. RELEVANT COMPONENTS FROM HOSPITAL REQUIRED**
 19 **REPORTING TO THE HEALTH SERVICES COST REVIEW COMMISSION ON**
 20 **POPULATION HEALTH IMPROVEMENT EFFORTS; AND**

21 **(II) AN ACCOUNTING OF ALL SOURCES OF FUNDING ACCEPTED**
 22 **FOR THE BENEFIT OF THE FUND AND THE AMOUNT OF FUNDING FROM EACH**
 23 **SOURCE.**

24 **Article – State Finance and Procurement**

25 6-226.

26 (a) (2) (i) 1. This subparagraph does not apply in fiscal years 2024
 27 through 2028.

28 2. Notwithstanding any other provision of law, and unless
 29 inconsistent with a federal law, grant agreement, or other federal requirement or with the
 30 terms of a gift or settlement agreement, net interest on all State money allocated by the
 31 State Treasurer under this section to special funds or accounts, and otherwise entitled to
 32 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
 33 Fund of the State.

1 (ii) The provisions of subparagraph (i) of this paragraph do not apply
2 to the following funds:

3 204. the Victims of Domestic Violence Program Grant Fund;

4 [and]

5 205. the Proposed Programs Collaborative Grant Fund; AND

6 **206. THE POPULATION HEALTH IMPROVEMENT FUND.**

7 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2025. It shall remain effective for a period of 5 years and 6 months and, at the end
9 of December 31, 2030, this Act, with no further action required by the General Assembly,
10 shall be abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.