

# SENATE BILL 691

S2, J3, J5

51r0886  
CF HB 333

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By: **Senator Hester**

Introduced and read first time: January 26, 2025

Assigned to: Finance and Education, Energy, and the Environment

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 2025

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Cybersecurity~~ **Healthcare Ecosystem Stakeholder Cybersecurity Workgroup**

3 FOR the purpose of ~~requiring the Maryland Health Care Commission and the Maryland~~  
4 ~~Insurance Administration to include a cybersecurity expert as staff to perform~~  
5 ~~certain functions and submit to the State Chief Information Security Officer a report~~  
6 ~~on the cybersecurity practices and policies of certain healthcare ecosystem entities~~  
7 ~~on a certain basis; requiring healthcare ecosystem entities to take certain actions~~  
8 ~~related to cybersecurity, including adopting and implementing certain cybersecurity~~  
9 ~~standards, undergoing a third-party cybersecurity audit on a certain basis, and~~  
10 ~~reporting cybersecurity incidents to the State Security Operations Center in the~~  
11 ~~Department of Information Technology; requiring the Center to notify certain~~  
12 ~~agencies of a cybersecurity incident reported under this Act; requiring the~~  
13 ~~Commission to convene a workgroup to review cybersecurity practices, threats,~~  
14 ~~responses to disruptions, and emerging issues in the healthcare ecosystem; requiring~~  
15 ~~the Commission to convene a workgroup to study and make recommendations to~~  
16 ~~improve the cybersecurity of the healthcare ecosystem; and generally relating to~~  
17 ~~cybersecurity and the healthcare ecosystem~~ establishing the Healthcare Ecosystem  
18 Stakeholder Cybersecurity Workgroup to develop strategies to prevent cybersecurity  
19 disruptions to the healthcare ecosystem, ensure the continuous delivery of essential  
20 healthcare ecosystem services, and enhance recovery efforts of the healthcare  
21 ecosystem following a cybersecurity incident; and generally relating to the  
22 Healthcare Ecosystem Stakeholder Cybersecurity Workgroup.

23 ~~BY repealing and reenacting, without amendments,~~

24 ~~Article Health General~~

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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 ~~Section 19-101~~  
2 ~~Annotated Code of Maryland~~  
3 ~~(2023 Replacement Volume and 2024 Supplement)~~
- 4 ~~BY adding to~~  
5 ~~Article — Health — General~~  
6 ~~Section 19-113~~  
7 ~~Annotated Code of Maryland~~  
8 ~~(2023 Replacement Volume and 2024 Supplement)~~
- 9 ~~BY repealing and reenacting, without amendments,~~  
10 ~~Article — Insurance~~  
11 ~~Section 1-101(a), (b), and (k)~~  
12 ~~Annotated Code of Maryland~~  
13 ~~(2017 Replacement Volume and 2024 Supplement)~~
- 14 ~~BY adding to~~  
15 ~~Article — Insurance~~  
16 ~~Section 2-117~~  
17 ~~Annotated Code of Maryland~~  
18 ~~(2017 Replacement Volume and 2024 Supplement)~~
- 19 ~~BY repealing and reenacting, without amendments,~~  
20 ~~Article — State Finance and Procurement~~  
21 ~~Section 3.5-101(a) and (e), 3.5-2A-01, and 3.5-301(a) and (e)~~  
22 ~~Annotated Code of Maryland~~  
23 ~~(2021 Replacement Volume and 2024 Supplement)~~
- 24 ~~BY adding to~~  
25 ~~Article — State Finance and Procurement~~  
26 ~~Section 3.5-2A-07~~  
27 ~~Annotated Code of Maryland~~  
28 ~~(2021 Replacement Volume and 2024 Supplement)~~
- 29 ~~BY adding to~~  
30 ~~Article — Health — General~~  
31 ~~Section 19-113(f) and (g)~~  
32 ~~Annotated Code of Maryland~~  
33 ~~(2023 Replacement Volume and 2024 Supplement)~~  
34 ~~(As enacted by Section 1 of this Act)~~
- 35 ~~BY adding to~~  
36 ~~Article — Insurance~~  
37 ~~Section 2-117(f)~~  
38 ~~Annotated Code of Maryland~~  
39 ~~(2017 Replacement Volume and 2024 Supplement)~~  
40 ~~(As enacted by Section 1 of this Act)~~

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

3 ~~Article Health General~~

4 ~~19-101.~~

5 ~~In this subtitle, "Commission" means the Maryland Health Care Commission.~~

6 ~~19-113.~~

7 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~  
 8 ~~INDICATED.~~

9 ~~(2) "CYBERSECURITY" HAS THE MEANING STATED IN § 3.5-301 OF~~  
 10 ~~THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

11 ~~(3) "ESSENTIAL CAPABILITIES" MEANS THE SERVICES THAT MUST BE~~  
 12 ~~AVAILABLE IN THE HEALTHCARE ECOSYSTEM TO ENSURE THE CONTINUITY OF~~  
 13 ~~CRITICAL CARE AND PATIENT SAFETY, INCLUDING DURING AN INCIDENT~~  
 14 ~~DEMINISHING THE CAPACITY OF THE HEALTHCARE ECOSYSTEM.~~

15 ~~(4) "HEALTHCARE ECOSYSTEM" MEANS THE ENTITIES AND~~  
 16 ~~RELATIONSHIPS AMONG ENTITIES THAT ARE NECESSARY TO DELIVER TREATMENT,~~  
 17 ~~PAYMENT, AND HEALTH CARE OPERATIONS.~~

18 ~~(5) (i) "HEALTHCARE ECOSYSTEM ENTITY" INCLUDES:~~

19 ~~1. AN ELECTRONIC DATA INTERCHANGE~~  
 20 ~~CLEARINGHOUSE;~~

21 ~~2. A FREESTANDING MEDICAL FACILITY, AS DEFINED IN~~  
 22 ~~§ 19-3A-01 OF THIS TITLE;~~

23 ~~3. A HEALTH INFORMATION EXCHANGE, AS DEFINED IN~~  
 24 ~~§ 4-301 OF THIS ARTICLE;~~

25 ~~4. A HOSPITAL, AS DEFINED IN § 19-301 OF THIS TITLE;~~  
 26 ~~AND~~

27 ~~5. AN ENTITY IDENTIFIED BY THE COMMISSION IN~~  
 28 ~~REGULATIONS TO BE INCLUDED IN THE HEALTHCARE ECOSYSTEM.~~

29 ~~(ii) "HEALTHCARE ECOSYSTEM ENTITY" DOES NOT INCLUDE:~~

1           ~~1. A CARRIER, AS DEFINED IN § 2-117 OF THE~~  
2 ~~INSURANCE ARTICLE; OR~~

3           ~~2. A PHARMACY BENEFITS MANAGER, AS DEFINED IN §~~  
4 ~~15-1601 OF THE INSURANCE ARTICLE.~~

5           ~~(6) "ZERO TRUST" MEANS A CYBERSECURITY APPROACH:~~

6           ~~(I) FOCUSED ON CYBERSECURITY RESOURCE PROTECTION;~~  
7 ~~AND~~

8           ~~(II) BASED ON THE PREMISE THAT TRUST IS NOT GRANTED~~  
9 ~~IMPLICITLY BUT MUST BE EVALUATED CONTINUALLY.~~

10          ~~(B) THE COMMISSION SHALL INCLUDE ON ITS STAFF AT LEAST ONE~~  
11 ~~EMPLOYEE WHO IS AN EXPERT IN CYBERSECURITY TO:~~

12           ~~(1) ADVISE THE CHAIRMAN AND MEMBERS OF THE COMMISSION ON~~  
13 ~~MEASURES TO IMPROVE OVERSIGHT OF THE CYBERSECURITY PRACTICES OF~~  
14 ~~HEALTHCARE ECOSYSTEM ENTITIES;~~

15           ~~(2) CONSULT WITH THE OFFICE OF SECURITY MANAGEMENT ON~~  
16 ~~CYBERSECURITY ISSUES RELATED TO HEALTH CARE REGULATION; AND~~

17           ~~(3) REPRESENT THE COMMISSION ON ANY WORKGROUP, TASK~~  
18 ~~FORCE, OR SIMILAR ENTITY THAT IS FOCUSED ON CYBERSECURITY AND ON WHICH~~  
19 ~~REPRESENTATION FROM THE COMMISSION IS REQUESTED OR REQUIRED.~~

20          ~~(C) A HEALTHCARE ECOSYSTEM ENTITY SHALL:~~

21           ~~(1) ADOPT AND IMPLEMENT CYBERSECURITY STANDARDS THAT ARE~~  
22 ~~EQUAL TO OR EXCEED ANY STANDARDS ADOPTED BY THE COMMISSION;~~

23           ~~(2) ADOPT A ZERO TRUST CYBERSECURITY APPROACH FOR~~  
24 ~~ON-PREMISES SERVICES AND CLOUD-BASED SERVICES;~~

25           ~~(3) MEET MINIMUM SECURITY STANDARDS SET BY THE COMMISSION,~~  
26 ~~IN CONSULTATION WITH THE OFFICE OF SECURITY MANAGEMENT, FOR EACH~~  
27 ~~OPERATIONAL TECHNOLOGY AND INFORMATION TECHNOLOGY DEVICE BASED ON~~  
28 ~~THE LEVEL OF SECURITY RISK FOR EACH DEVICE, INCLUDING SECURITY RISKS~~  
29 ~~ASSOCIATED WITH SUPPLY CHAINS; AND~~

1           ~~(4) ON OR BEFORE JANUARY 1, 2026, AND EVERY 2 YEARS~~  
2 ~~THEREAFTER;~~

3           ~~(I) UNDERGO A THIRD PARTY AUDIT TO EVALUATE THE~~  
4 ~~ENTITY'S CYBERSECURITY PRACTICES AND RESOURCES BASED ON THE~~  
5 ~~CYBERSECURITY AND INFRASTRUCTURE SECURITY AGENCY'S CROSS SECTOR~~  
6 ~~CYBERSECURITY PERFORMANCE GOALS OR A MORE STRINGENT STANDARD BASED~~  
7 ~~ON THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY'S FRAMEWORK;~~  
8 ~~AND~~

9           ~~(II) SUBMIT TO THE COMMISSION A REPORT THAT INCLUDES:~~

10                   ~~1. THE RECOMMENDATIONS OF THE AUDIT;~~

11                   ~~2. THE DATE OF THE CYBERSECURITY AUDIT;~~

12                   ~~3. THE CYBERSECURITY FRAMEWORK USED TO~~  
13 ~~EVALUATE THE ENTITY; AND~~

14                   ~~4. THE NAME OF THE THIRD PARTY THAT CONDUCTED~~  
15 ~~THE AUDIT.~~

16           ~~(D) ON OR BEFORE JULY 1, 2026, AND EVERY 2 YEARS THEREAFTER, THE~~  
17 ~~COMMISSION SHALL COLLECT CERTIFICATION OF A HEALTHCARE ECOSYSTEM~~  
18 ~~ENTITY'S COMPLIANCE WITH THE STANDARD USED IN THE AUDIT CONDUCTED~~  
19 ~~UNDER SUBSECTION (C)(4) OF THIS SECTION FOR CYBERSECURITY RELATED~~  
20 ~~POLICIES AND PROCEDURES.~~

21           ~~(E) ON OR BEFORE JANUARY 1, 2027, AND EVERY 2 YEARS THEREAFTER,~~  
22 ~~THE COMMISSION SHALL SUBMIT A REPORT TO THE STATE CHIEF INFORMATION~~  
23 ~~SECURITY OFFICER OR THE OFFICER'S DESIGNEE THAT INCLUDES:~~

24           ~~(1) A GENERAL OVERVIEW OF CYBERSECURITY TECHNOLOGY AND~~  
25 ~~POLICIES USED BY HEALTHCARE ECOSYSTEM ENTITIES IN THE STATE, GROUPED IN~~  
26 ~~THE FOLLOWING MANNER:~~

27                   ~~(I) HOSPITALS;~~

28                   ~~(II) FREESTANDING MEDICAL FACILITIES;~~

29                   ~~(III) ELECTRONIC DATA INTERCHANGE CLEARINGHOUSES;~~

30                   ~~(IV) HEALTH INFORMATION EXCHANGES; AND~~

~~(V) ANY OTHER ENTITY THE COMMISSION CONSIDERS SIGNIFICANT ENOUGH TO INCLUDE IN THE REPORT;~~

~~(2) INFORMATION ABOUT EACH CERTIFICATION COLLECTED, INCLUDING:~~

~~(I) THE NAME OF THE HEALTHCARE ECOSYSTEM ENTITY;~~

~~(II) THE DATE OF THE HEALTHCARE ECOSYSTEM ENTITY'S MOST RECENT CYBERSECURITY AUDIT;~~

~~(III) THE CYBERSECURITY FRAMEWORK USED IN THE CYBERSECURITY AUDIT OF THE HEALTHCARE ECOSYSTEM ENTITY; AND~~

~~(IV) THE NAME OF THE THIRD PARTY THAT COMPLETED THE CYBERSECURITY AUDIT;~~

~~(3) AN OVERVIEW OF ESSENTIAL CAPABILITIES PROVIDED BY HEALTHCARE ECOSYSTEM ENTITIES;~~

~~(4) RECOMMENDATIONS FOR ENSURING THE CONTINUOUS DELIVERY OF ESSENTIAL CAPABILITIES DURING AND FOLLOWING A DISRUPTION TO THE HEALTHCARE ECOSYSTEM; AND~~

~~(5) RECOMMENDATIONS TO IMPROVE CYBERSECURITY FOR THE GROUPS OF HEALTHCARE ECOSYSTEM ENTITIES IDENTIFIED IN ITEM (1) OF THIS SUBSECTION.~~

#### ~~Article Insurance~~

~~1-101.~~

~~(a) In this article the following words have the meanings indicated.~~

~~(b) "Administration" means the Maryland Insurance Administration.~~

~~(k) "Commissioner" means the Maryland Insurance Commissioner.~~

~~2-117.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "CARRIER" MEANS:~~

- 1           ~~(I) AN INSURER AUTHORIZED TO SELL HEALTH INSURANCE;~~  
2           ~~(II) A NONPROFIT HEALTH SERVICE PLAN;~~  
3           ~~(III) A HEALTH MAINTENANCE ORGANIZATION;~~  
4           ~~(IV) A DENTAL PLAN ORGANIZATION; AND~~  
5           ~~(V) ANY OTHER ENTITY PROVIDING A PLAN OF HEALTH~~  
6 ~~INSURANCE, HEALTH BENEFITS, OR HEALTH SERVICES AUTHORIZED UNDER THIS~~  
7 ~~ARTICLE OR THE AFFORDABLE CARE ACT.~~

8           ~~(3) "ESSENTIAL CAPABILITIES" MEANS THE SERVICES THAT MUST BE~~  
9 ~~AVAILABLE IN THE HEALTHCARE ECOSYSTEM TO ENSURE THE CONTINUITY OF~~  
10 ~~CRITICAL CARE AND PATIENT SAFETY, INCLUDING DURING AN INCIDENT~~  
11 ~~DIMINISHING THE CAPACITY OF THE HEALTHCARE ECOSYSTEM.~~

12           ~~(4) "HEALTHCARE ECOSYSTEM" MEANS THE ENTITIES AND~~  
13 ~~RELATIONSHIPS AMONG ENTITIES THAT ARE NECESSARY TO DELIVER TREATMENT,~~  
14 ~~PAYMENT, AND HEALTH CARE OPERATIONS.~~

15           ~~(5) (I) "HEALTHCARE ECOSYSTEM ENTITY" MEANS:~~

16                           ~~1. A CARRIER; OR~~

17                           ~~2. A PHARMACY BENEFITS MANAGER, AS DEFINED IN §~~  
18 ~~15-1601 OF THIS ARTICLE.~~

19           ~~(II) "HEALTHCARE ECOSYSTEM ENTITY" DOES NOT INCLUDE A~~  
20 ~~GOVERNMENTAL PAYOR.~~

21           ~~(6) "ZERO TRUST" MEANS A CYBERSECURITY APPROACH:~~

22           ~~(I) FOCUSED ON CYBERSECURITY RESOURCE PROTECTION;~~  
23 ~~AND~~

24           ~~(II) BASED ON THE PREMISE THAT TRUST IS NOT GRANTED~~  
25 ~~IMPLICITLY BUT MUST BE EVALUATED CONTINUALLY.~~

26           ~~(B) THE ADMINISTRATION SHALL INCLUDE ON ITS STAFF AT LEAST ONE~~  
27 ~~EMPLOYEE WHO IS AN EXPERT IN CYBERSECURITY TO:~~

1 ~~(1) ADVISE THE COMMISSIONER ON MEASURES TO IMPROVE~~  
2 ~~OVERSIGHT OF THE CYBERSECURITY PRACTICES OF HEALTHCARE ECOSYSTEM~~  
3 ~~ENTITIES;~~

4 ~~(2) CONSULT WITH THE OFFICE OF SECURITY MANAGEMENT ON~~  
5 ~~CYBERSECURITY ISSUES RELATED TO HEALTH INSURANCE REGULATION; AND~~

6 ~~(3) REPRESENT THE ADMINISTRATION ON ANY WORKGROUP, TASK~~  
7 ~~FORCE, OR SIMILAR ENTITY THAT IS FOCUSED ON CYBERSECURITY AND ON WHICH~~  
8 ~~REPRESENTATION FROM THE ADMINISTRATION IS REQUIRED OR REQUESTED.~~

9 ~~(C) A HEALTHCARE ECOSYSTEM ENTITY SHALL:~~

10 ~~(1) ADOPT AND IMPLEMENT CYBERSECURITY STANDARDS THAT ARE~~  
11 ~~EQUAL TO OR EXCEED ANY STANDARDS ADOPTED BY THE ADMINISTRATION;~~

12 ~~(2) ADOPT A ZERO TRUST CYBERSECURITY APPROACH FOR~~  
13 ~~ON-PREMISES SERVICES AND CLOUD-BASED SERVICES;~~

14 ~~(3) MEET MINIMUM SECURITY STANDARDS SET BY THE MARYLAND~~  
15 ~~HEALTH CARE COMMISSION, IN CONSULTATION WITH THE OFFICE OF SECURITY~~  
16 ~~MANAGEMENT, FOR EACH OPERATIONAL TECHNOLOGY AND INFORMATION~~  
17 ~~TECHNOLOGY DEVICE BASED ON THE LEVEL OF SECURITY RISK FOR EACH DEVICE,~~  
18 ~~INCLUDING SECURITY RISKS ASSOCIATED WITH SUPPLY CHAINS; AND~~

19 ~~(4) ON OR BEFORE JANUARY 1, 2026, AND EVERY 2 YEARS~~  
20 ~~THEREAFTER;~~

21 ~~(I) UNDERGO A THIRD-PARTY AUDIT TO EVALUATE THE~~  
22 ~~ENTITY'S CYBERSECURITY PRACTICES AND RESOURCES BASED ON THE~~  
23 ~~CYBERSECURITY AND INFRASTRUCTURE SECURITY AGENCY'S CROSS-SECTOR~~  
24 ~~CYBERSECURITY PERFORMANCE GOALS OR A MORE STRINGENT STANDARD BASED~~  
25 ~~ON THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY'S FRAMEWORK;~~  
26 ~~AND~~

27 ~~(II) SUBMIT TO THE ADMINISTRATION A REPORT THAT~~  
28 ~~INCLUDES:~~

29 ~~1. THE RECOMMENDATIONS FROM THE AUDIT;~~

30 ~~2. THE DATE OF THE CYBERSECURITY AUDIT;~~

31 ~~3. THE CYBERSECURITY FRAMEWORK USED TO~~  
32 ~~EVALUATE THE ENTITY; AND~~





~~(IV) THE NAME OF THE THIRD PARTY THAT COMPLETED THE CYBERSECURITY AUDIT;~~

~~(3) AN OVERVIEW OF ESSENTIAL CAPABILITIES PROVIDED BY THE HEALTHCARE ECOSYSTEM ENTITY;~~

~~(4) RECOMMENDATIONS FOR ENSURING THE CONTINUOUS DELIVERY OF ESSENTIAL CAPABILITIES DURING AND FOLLOWING A DISRUPTION TO THE HEALTHCARE ECOSYSTEM; AND~~

~~(5) RECOMMENDATIONS TO IMPROVE CYBERSECURITY FOR THE GROUPS OF HEALTHCARE ECOSYSTEM ENTITIES IDENTIFIED IN ITEM (1) OF THIS SUBSECTION.~~

### ~~Article State Finance and Procurement~~

~~3.5-101.~~

~~(a) In this title the following words have the meanings indicated.~~

~~(e) "Department" means the Department of Information Technology.~~

~~3.5-2A-01.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(b) "Council" means the Maryland Cybersecurity Coordinating Council.~~

~~(c) "Office" means the Office of Security Management.~~

~~3.5-2A-07.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "HEALTHCARE ECOSYSTEM" MEANS THE ENTITIES AND RELATIONSHIPS AMONG ENTITIES THAT ARE NECESSARY TO DELIVER HEALTH CARE TREATMENT, PAYMENT, AND HEALTH CARE OPERATIONS.~~

~~(3) "HEALTHCARE ECOSYSTEM ENTITY" INCLUDES:~~

~~(i) A CARRIER;~~

~~(ii) AN ELECTRONIC DATA INTERCHANGE CLEARINGHOUSE;~~

1 ~~(III) A FREESTANDING MEDICAL FACILITY;~~

2 ~~(IV) A HOSPITAL;~~

3 ~~(V) A PHARMACY BENEFITS MANAGER;~~

4 ~~(VI) A HEALTH INFORMATION EXCHANGE; AND~~

5 ~~(VII) ANY OTHER ENTITY IDENTIFIED BY THE MARYLAND~~  
6 ~~HEALTH CARE COMMISSION OR THE MARYLAND INSURANCE ADMINISTRATION IN~~  
7 ~~REGULATIONS TO BE INCLUDED IN THE HEALTHCARE ECOSYSTEM.~~

8 ~~(B) (1) A HEALTHCARE ECOSYSTEM ENTITY SHALL REPORT, IN~~  
9 ~~ACCORDANCE WITH THE PROCESS ESTABLISHED UNDER PARAGRAPH (2) OF THIS~~  
10 ~~SUBSECTION, A CYBERSECURITY INCIDENT, INCLUDING AN ATTACK ON A SYSTEM~~  
11 ~~BEING USED BY THE HEALTHCARE ECOSYSTEM ENTITY, TO THE STATE SECURITY~~  
12 ~~OPERATIONS CENTER IN THE DEPARTMENT.~~

13 ~~(2) THE OFFICE, IN CONSULTATION WITH THE MARYLAND HEALTH~~  
14 ~~CARE COMMISSION AND THE MARYLAND INSURANCE ADMINISTRATION, SHALL~~  
15 ~~ESTABLISH A PROCESS FOR A HEALTHCARE ECOSYSTEM ENTITY TO REPORT A~~  
16 ~~CYBERSECURITY INCIDENT UNDER PARAGRAPH (1) OF THIS SUBSECTION,~~  
17 ~~INCLUDING:~~

18 ~~(I) THE CRITERIA FOR DETERMINING THE CIRCUMSTANCES~~  
19 ~~UNDER WHICH A CYBERSECURITY INCIDENT MUST BE REPORTED;~~

20 ~~(II) THE MANNER IN WHICH A CYBERSECURITY INCIDENT MUST~~  
21 ~~BE REPORTED; AND~~

22 ~~(III) THE TIME PERIOD WITHIN WHICH A CYBERSECURITY~~  
23 ~~INCIDENT MUST BE REPORTED.~~

24 ~~(3) THE STATE SECURITY OPERATIONS CENTER IMMEDIATELY~~  
25 ~~SHALL NOTIFY APPROPRIATE STATE AND LOCAL AGENCIES OF A CYBERSECURITY~~  
26 ~~INCIDENT REPORTED UNDER THIS SUBSECTION.~~

27 ~~(4) (I) ON OR BEFORE JULY 1 EACH YEAR, BEGINNING IN 2026,~~  
28 ~~THE OFFICE SHALL REPORT TO THE GOVERNOR, THE COUNCIL, AND, IN~~  
29 ~~ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL~~  
30 ~~ASSEMBLY ON THE NUMBER OF CYBERSECURITY INCIDENTS AND TYPES OF~~  
31 ~~CYBERSECURITY INCIDENTS REPORTED UNDER PARAGRAPH (1) OF THIS~~  
32 ~~SUBSECTION IN THE IMMEDIATELY PRECEDING CALENDAR YEAR.~~

~~(H) A REPORT SUBMITTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT IDENTIFY A HEALTHCARE ECOSYSTEM ENTITY THAT REPORTED AN INCIDENT TO THE OFFICE OR A HEALTHCARE ECOSYSTEM ENTITY THAT WAS DIRECTLY AFFECTED BY AN INCIDENT REPORTED TO THE CENTER.~~

~~3.5-301.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(e) "Cybersecurity" means processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.~~

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

~~Article Health General~~

~~19-113.~~

~~(F) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT OF INFORMATION TECHNOLOGY, SHALL ADOPT REGULATIONS TO IMPLEMENT CYBERSECURITY STANDARDS AND PROCEDURES TO:~~

~~(1) PREVENT DISRUPTIONS TO THE HEALTHCARE ECOSYSTEM;~~

~~(2) ENABLE THE DELIVERY OF ESSENTIAL CAPABILITIES BY THE HEALTHCARE ECOSYSTEM; AND~~

~~(3) SUPPORT RECOVERY FROM AN INCIDENT THAT DISRUPTS THE HEALTHCARE ECOSYSTEM.~~

~~(G) THE COMMISSION, IN CONJUNCTION WITH THE MARYLAND DEPARTMENT OF EMERGENCY MANAGEMENT, THE DEPARTMENT OF INFORMATION TECHNOLOGY, AND THE MARYLAND INSURANCE ADMINISTRATION, SHALL REGULARLY CONVENE A STAKEHOLDER WORKGROUP TO REVIEW CYBERSECURITY PRACTICES, THREATS, RESPONSES TO DISRUPTIONS, AND EMERGING ISSUES AFFECTING THE HEALTHCARE ECOSYSTEM.~~

~~Article Insurance~~

~~2-117.~~

~~(F) THE ADMINISTRATION, IN CONSULTATION WITH THE DEPARTMENT OF INFORMATION TECHNOLOGY, SHALL ADOPT REGULATIONS TO IMPLEMENT CYBERSECURITY STANDARDS AND PROCEDURES TO:~~

~~(1) PREVENT DISRUPTIONS TO THE HEALTHCARE ECOSYSTEM;~~

~~(2) ENABLE THE DELIVERY OF ESSENTIAL CAPABILITIES BY THE HEALTHCARE ECOSYSTEM; AND~~

~~(3) SUPPORT RECOVERY FROM AN INCIDENT THAT DISRUPTS THE HEALTHCARE ECOSYSTEM.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That:~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That:

(a) (1) In this section the following words have the meanings indicated.

(2) “Cybersecurity” has the meaning stated in § 3.5–301 of the State Finance and Procurement Article.

(3) “Essential capabilities” means the services that must be available in the healthcare ecosystem to ensure the continuity of critical care and patient safety, including during an incident diminishing the capacity of the healthcare ecosystem.

(4) “Healthcare ecosystem” means the entities and relationships among entities that are necessary to deliver treatment, payment, and health care operations.

(5) (i) “Healthcare ecosystem entity” includes:

1. a carrier, as defined in § 2–117 of the Insurance Article;

2. an electronic data interchange clearinghouse;

3. a freestanding medical facility, as defined in § 19–3A–01 of the Health – General Article;

4. a health information exchange, as defined in § 4–301 of the Health – General Article;

5. a hospital, as defined in § 19–301 of the Health – General Article; and

6. a pharmacy benefits manager, as defined in § 15–1601 of the Insurance Article.

1 (ii) "Healthcare ecosystem entity" does not include a governmental  
2 payor.

3 (6) "Health care operations" has the meaning stated in 45 C.F.R. § 164.501.

4 (7) "Payment" has the meaning stated in 45 C.F.R. § 164.501.

5 (8) "Treatment" has the meaning stated in 45 C.F.R. § 164.501.

6 (9) "Workgroup" means the Healthcare Ecosystem Stakeholder  
7 Cybersecurity Workgroup.

8 (b) (1) ~~The Maryland Health Care Commission shall convene a healthcare~~  
9 ~~ecosystem stakeholder workgroup to study and make recommendations to improve the~~  
10 ~~cybersecurity of the healthcare ecosystem in the State~~ There is a Healthcare Ecosystem  
11 Stakeholder Cybersecurity Workgroup.

12 (2) The purpose of the Workgroup is to develop strategies to:

13 (i) prevent cybersecurity disruptions to healthcare ecosystem  
14 operations;

15 (ii) ensure the continuous delivery of essential healthcare ecosystem  
16 services; and

17 (iii) enhance recovery efforts of the healthcare ecosystem following a  
18 cybersecurity incident.

19 (c) The Workgroup consists of the following members:

20 (1) one member of the Senate of Maryland, appointed by the President of  
21 the Senate;

22 (2) one member of the House of Delegates, appointed by the Speaker of the  
23 House;

24 (3) the Chairman of the Maryland Health Care Commission, or the  
25 Chairman's designee;

26 (4) the Maryland Insurance Commissioner, or the Commissioner's  
27 designee;

28 (5) the Secretary of Emergency Management, or the Secretary's designee;

29 (6) the State Chief Information Security Officer, or the State Chief Officer's  
30 designee;

1           (7) two representatives from the Subcommittee on Critical Infrastructure  
2 of the Maryland Cybersecurity Council, appointed by the Chair of the Maryland  
3 Cybersecurity Council;

4           (8) one representative from each of the following organizations, designated  
5 by the head of the organization:

6                   (i) one representative of the Cooperative Exchange;

7                   (ii) one representative of the Electronic Health Record Association;

8                   (iii) one representative of the Maryland League of Life and Health  
9 Insurers;

10                  (iv) one representative of the Maryland Hospital Association; and

11                  (v) one representative of the Maryland Cybersecurity Association;

12           (9) one representative of a pharmacy benefits manager, appointed by the  
13 Maryland Insurance Commissioner;

14           (10) the following representatives appointed by the Chairman of the  
15 Maryland Health Care Commission:

16                   (i) one representative of an electronic data interchange  
17 clearinghouse;

18                   (ii) one representative of a freestanding medical facility;

19                   (iii) one representative of a large hospital;

20                   (iv) one representative of a small hospital;

21                   (v) one representative of an inpatient psychiatric hospital; and

22                   (vi) one representative of a health information exchange; and

23           (11) three representatives of a patient advocacy group, jointly appointed by  
24 the Chairman of the Maryland Health Care Commission and the Maryland Insurance  
25 Commissioner.

26           (d) The Chairman of the Maryland Health Care Commission, or the Chairman's  
27 designee, and the Maryland Insurance Commissioner, or the Commissioner's designee,  
28 shall cochair the Workgroup.

1       (e) The Maryland Health Care Commission and the Maryland Insurance  
2 Administration shall provide staff for the Workgroup.

3       (f) A member of the Workgroup:

4           (1) may not receive compensation as a member of the Workgroup; but

5           (2) is entitled to reimbursement for expenses under the Standard State  
6 Travel Regulations, as provided in the State budget.

7       (g) ~~The ~~workgroup~~ Workgroup shall:~~

8           (1) identify essential capabilities required for the delivery of health care  
9 during a cybersecurity attack;

10          (2) identify functional requirements for the healthcare ecosystem to be  
11 capable of providing the essential capabilities identified under item (1) of this subsection;

12          (3) identify and map all healthcare ecosystem entities in the State against  
13 the essential health care capabilities and identified functional requirements;

14          (4) identify which healthcare ecosystem entities are needed, directly or  
15 indirectly, to provide the essential capabilities identified under item (1) of this subsection;

16          (5) ~~identify other issues related to cybersecurity in the healthcare~~  
17 ~~ecosystem~~ develop an ecosystem cybersecurity threat and risk assessment based on the  
18 essential health care capabilities and supporting functions;

19          (6) examine cybersecurity challenges affecting the healthcare ecosystem  
20 based on the threat and risk assessment;

21          ~~(6)~~ (7) review best practices for cybersecurity and processes used in the  
22 healthcare ecosystem, including NIST 800–207, NIST 800–207A, NIST 800–53A, the NIST  
23 Cybersecurity Framework, HICP Technical Volume 1, and HICP Technical Volume 2; ~~and~~

24          ~~(7)~~ ~~provide guidance for the Maryland Health Care Commission and the~~  
25 ~~Maryland Insurance Administration regarding the adoption and maintenance of~~  
26 ~~cybersecurity regulatory standards.~~

27          (8) make recommendations for adopting and maintaining cybersecurity  
28 regulatory standards; and

29          (9) make recommendations for ensuring that essential capabilities and  
30 supporting functions are resilient to disruption.

31       ~~(d)~~ (h) (1) On or before ~~July~~ January 1, 2026, the ~~Maryland Health Care~~  
32 ~~Commission~~ Workgroup shall submit an interim report ~~defining the scope and contents of~~



1 ~~the State's healthcare ecosystem~~ of its findings and recommendations to the Governor, the  
2 Secretary of Emergency Management, the Chairman of the Maryland Health Care  
3 Commission, the Maryland Insurance Commissioner, the State Chief Information Security  
4 Officer, and, in accordance with § 2-1257 of the State Government Article, the General  
5 Assembly.

6 (2) On or before ~~July~~ December 1, 2028 ~~2026~~, the ~~Maryland Health Care~~  
7 ~~Commission Workgroup~~ shall submit a final report of the findings and recommendations of  
8 the workgroup to the Governor, the Secretary of Emergency Management, the Chairman  
9 of the Maryland Health Care Commission, the Maryland Insurance Commissioner, the  
10 State Chief Information Security Officer, and, in accordance with §  
11 2-1257 of the State Government Article, the General Assembly.

12 ~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take~~  
13 ~~effect July 1, 2028.~~

14 ~~SECTION 5. 2. AND BE IT FURTHER ENACTED, That, except as provided in~~  
15 ~~Section 4 of this Act,~~ this Act shall take effect July 1, 2025. ~~Section 3 of this Act~~ It shall  
16 remain effective for a period of ~~4~~ 2 years and, at the end of June 30, ~~2029~~ 2027, ~~Section 3 of~~  
17 this Act, with no further action required by the General Assembly, shall be abrogated and  
18 of no further force and effect.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
President of the Senate.

\_\_\_\_\_  
Speaker of the House of Delegates.