

# HOUSE BILL 138

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CF SB 107

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By: **The Speaker (By Request – Administration) and Delegates Barnes, Busch, Haynes, and Morhaim**

Introduced and read first time: January 24, 2007

Assigned to: Health and Government Operations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 28, 2007

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

1 AN ACT concerning

2 **Task Force on Health Care Access and Reimbursement**

3 FOR the purpose of establishing the Task Force on Health Care Access and  
4 Reimbursement; providing for the membership of the Task Force; authorizing  
5 the Task Force to consult with certain individuals and entities in performing  
6 the duties of the Task Force; requiring the Secretary of Health and Mental  
7 Hygiene to chair the Task Force and establish certain subcommittees; providing  
8 for the duties of the Task Force; requiring the Task Force to make certain  
9 recommendations; requiring the Department of Health and Mental Hygiene to  
10 provide staff support to the Task Force; requiring the Task Force to make  
11 certain reports to the Governor and General Assembly on or before certain  
12 dates; providing that members of the Task Force are entitled to a certain  
13 reimbursement; providing for the termination of this Act; and generally relating  
14 to the Task Force on Health Care Access and Reimbursement.

15 BY adding to

16 Article – Health – General

17 Section 19–710.3

18 Annotated Code of Maryland

19 (2005 Replacement Volume and 2006 Supplement)

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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 Preamble

2 WHEREAS, Maryland has a national reputation as a leader in health care; and

3 WHEREAS, It has always been a high priority of State government to  
4 implement policies to encourage affordable and quality health care for all  
5 Marylanders; and

6 WHEREAS, Maryland's commitment to affordable quality health care is now  
7 threatened by growing numbers of uninsured and underinsured citizens and by  
8 shortages of physicians and other health care providers; and

9 WHEREAS, Some data suggests that Maryland ranks nationally in the lowest  
10 25th percentile for reimbursement payments to doctors and health care providers; and

11 WHEREAS, Other data suggests that Maryland is a high expense state for most  
12 medical practices expenses; and

13 WHEREAS, There has been a significant increase in uncompensated and  
14 undercompensated care provided by physicians and other health care providers; and

15 WHEREAS, Providing physicians and other health care providers with  
16 reasonable and fair reimbursement compared with other states would be a catalyst for  
17 preventing the present decline in health care in Maryland; and

18 WHEREAS, It is important to have a State-sanctioned study of physician and  
19 health care provider reimbursement to avoid antitrust issues; and

20 WHEREAS, A study focused on provider reimbursement trends in Maryland  
21 will coordinate with the collaborative work currently underway by a number of health  
22 care providers, regulators, and academic institution stakeholders to analyze the trends  
23 in the supply and future demand for health care providers; and

24 WHEREAS, These efforts will enable public policy makers to understand the  
25 complete Maryland environment and develop the comprehensive solutions needed to  
26 ensure that the citizens of Maryland have adequate access to quality health care  
27 services; now, therefore,

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

30 **Article - Health - General**

1 **19-710.3.**

2 (A) **THERE IS A TASK FORCE ON HEALTH CARE ACCESS AND**  
3 **REIMBURSEMENT.**

4 (B) **THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS:**

5 (1) **TWO MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED**  
6 **BY THE SPEAKER OF THE HOUSE;**

7 (2) **TWO MEMBERS OF THE SENATE OF MARYLAND, APPOINTED**  
8 **BY THE PRESIDENT OF THE SENATE;**

9 (3) **THE SECRETARY OF HEALTH AND MENTAL HYGIENE;**

10 (4) **THE ATTORNEY GENERAL, OR THE ATTORNEY GENERAL'S**  
11 **DESIGNEE;**

12 (5) **THE INSURANCE COMMISSIONER, OR THE INSURANCE**  
13 **COMMISSIONER'S DESIGNEE; ~~AND~~**

14 (6) **THE SECRETARY OF BUDGET AND MANAGEMENT, OR THE**  
15 **SECRETARY'S DESIGNEE; AND**

16 ~~(6)~~ (7) **SIX INDIVIDUALS APPOINTED BY THE GOVERNOR.**

17 (C) **IN PERFORMING ITS DUTIES, THE TASK FORCE MAY CONSULT WITH**  
18 **INDIVIDUALS AND ENTITIES THAT THE SECRETARY OF HEALTH AND MENTAL**  
19 **HYGIENE DEEMS APPROPRIATE.**

20 (D) (1) **THE SECRETARY OF HEALTH AND MENTAL HYGIENE SHALL:**

21 (I) **CHAIR THE TASK FORCE;**

22 (II) **ESTABLISH SUBCOMMITTEES AND APPOINT**  
23 **SUBCOMMITTEE CHAIRS AS NECESSARY TO FACILITATE THE WORK OF THE TASK**  
24 **FORCE; AND**

1 (III) PROVIDE STAFF SUPPORT FOR THE TASK FORCE FROM  
2 THE DEPARTMENT.

3 (2) TO THE EXTENT PRACTICABLE, THE MEMBERS APPOINTED TO  
4 THE TASK FORCE SHALL REASONABLY REFLECT THE GEOGRAPHIC, RACIAL,  
5 ETHNIC, CULTURAL, AND GENDER DIVERSITY OF ~~THIS~~ THE STATE.

6 (3) IN PERFORMING ~~IF~~ ITS DUTIES, THE TASK FORCE SHALL  
7 INVITE ALL INTERESTED GROUPS, INCLUDING PHYSICIAN GROUPS, HEALTH  
8 CARE PROVIDER SPECIALTY GROUPS, EMPLOYERS, AND HEALTH INSURANCE  
9 CARRIERS, TO PRESENT TESTIMONY OR OTHER INFORMATION TO THE TASK  
10 FORCE CONCERNING:

11 (I) THE ISSUES TO BE STUDIED BY THE TASK FORCE;

12 (II) DATA ON THE REIMBURSEMENTS PAID TO PHYSICIANS  
13 AND OTHER HEALTH CARE PROVIDERS BY HEALTH INSURANCE CARRIERS;

14 (III) TRENDS RELATING TO REIMBURSEMENT RATES AND  
15 TOTAL PAYMENTS ~~PAID~~ TO PHYSICIANS AND OTHER HEALTH CARE PROVIDERS  
16 BY HEALTH INSURANCE CARRIERS ~~AND HEALTH BENEFIT PLANS~~; AND

17 (IV) DATA AND TRENDS IN PHYSICIAN AND OTHER HEALTH  
18 CARE PROVIDER WORKFORCE SUPPLY AND FUTURE DEMAND.

19 (E) THE TASK FORCE SHALL EXAMINE:

20 (1) REIMBURSEMENT RATES AND TOTAL PAYMENTS ~~PAID~~ TO  
21 ~~MARYLAND~~ PHYSICIANS AND OTHER HEALTH CARE PROVIDERS BY SPECIALTY  
22 AND GEOGRAPHIC AREA AND TRENDS IN SUCH REIMBURSEMENT RATES AND  
23 TOTAL PAYMENTS, INCLUDING A COMPARISON OF REIMBURSEMENT RATES,  
24 TOTAL PAYMENTS, AND TRENDS IN OTHER STATES;

25 (2) THE IMPACT OF CHANGES IN REIMBURSEMENTS ON ACCESS  
26 TO HEALTH CARE AND ON HEALTH CARE DISPARITIES, VOLUME OF SERVICES,  
27 AND QUALITY OF CARE;

28 (3) THE EFFECT OF COMPETITION ON PAYMENTS TO PHYSICIANS  
29 AND OTHER HEALTH CARE PROVIDERS;

1           (4) THE TRENDS FOR PHYSICIAN AND OTHER HEALTH CARE  
2 PROVIDER SHORTAGES BY SPECIALTY AND GEOGRAPHIC AREA AND ANY IMPACT  
3 ON HEALTH CARE ACCESS AND QUALITY CAUSED BY SUCH SHORTAGES,  
4 INCLUDING ~~EMERGENCY—DEPARTMENT~~ EMERGENCY DEPARTMENT  
5 OVERCROWDING;

6           (5) THE AMOUNT OF UNCOMPENSATED CARE BEING PROVIDED  
7 BY PHYSICIANS AND OTHER HEALTH CARE PROVIDERS AND THE TRENDS IN  
8 UNCOMPENSATED CARE IN MARYLAND AND IN OTHER STATES;

9           (6) THE EXTENT TO WHICH CURRENT REIMBURSEMENT METHODS  
10 RECOGNIZE AND REWARD HIGHER QUALITY OF CARE; AND

11           (7) METHODS USED BY LARGE PURCHASERS OF HEALTH CARE TO  
12 EVALUATE ADEQUACY AND COST OF PROVIDER NETWORKS.

13           (F) THE TASK FORCE SHALL DEVELOP RECOMMENDATIONS  
14 REGARDING:

15           (1) SPECIFIC OPTIONS THAT ARE AVAILABLE, GIVEN  
16 LIMITATIONS OF THE FEDERAL ERISA LAW, TO CHANGE PHYSICIAN  
17 REIMBURSEMENTS, IF NEEDED;

18           (2) THE SUFFICIENCY OF PRESENT STATUTORY FORMULAS FOR  
19 THE REIMBURSEMENT OF NONCONTRACTING PHYSICIANS BY HEALTH  
20 MAINTENANCE ORGANIZATIONS;

21           (3) WHETHER THE MARYLAND INSURANCE ADMINISTRATION  
22 AND THE ATTORNEY GENERAL CURRENTLY HAVE SUFFICIENT AUTHORITY TO  
23 REGULATE RATE SETTING AND MARKET-RELATED PRACTICES ~~BY INSURANCE~~  
24 ~~COMPANIES~~ OF HEALTH INSURANCE CARRIERS THAT MAY HAVE THE EFFECT OF  
25 UNREASONABLY REDUCING REIMBURSEMENTS;

26           (4) WHETHER THERE IS A NEED TO ENHANCE THE ABILITY OF  
27 PHYSICIANS AND OTHER HEALTH CARE PROVIDERS TO NEGOTIATE  
28 REIMBURSEMENT RATES WITH ~~PRIVATE HEALTH PLANS~~ HEALTH INSURANCE  
29 CARRIERS, WITHOUT UNDULY IMPAIRING THE ABILITY OF THE ~~PLANS~~ CARRIERS  
30 TO APPROPRIATELY MANAGE THEIR ~~PHYSICIAN~~ PROVIDER NETWORKS;

1           **(5) WHETHER THERE IS A NEED TO ESTABLISH A RATE-SETTING**  
2 **SYSTEM FOR PHYSICIANS AND OTHER HEALTH CARE PROVIDERS SIMILAR TO**  
3 **THE SYSTEM ESTABLISHED TO SET HOSPITAL RATES IN MARYLAND; AND**

4           **(6) THE ADVISABILITY OF THE USE OF PAYMENT METHODS**  
5 **LINKED TO QUALITY OF CARE OR OUTCOMES.**

6           **(G) (1) THE TASK FORCE SHALL REPORT ITS FINDINGS AND**  
7 **RECOMMENDATIONS TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE**  
8 **STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, ON OR BEFORE**  
9 **DECEMBER 31, 2007.**

10           **(2) IF THE TASK FORCE DETERMINES IT WILL NOT COMPLETE ITS**  
11 **WORK BY DECEMBER 31, 2007, THE TASK FORCE SHALL, IN THE SAME MANNER**  
12 **AS PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION:**

13                   **(I) SUBMIT AN INTERIM REPORT OF ITS FINDINGS AND**  
14 **RECOMMENDATIONS ON OR BEFORE DECEMBER 1, 2007; AND**

15                   **(II) SUBMIT A FINAL REPORT OF ITS FINDINGS AND**  
16 **RECOMMENDATIONS ON OR BEFORE ~~JULY 1,~~ JUNE 30, 2008.**

17           **(H) A MEMBER OF THE TASK FORCE MAY NOT RECEIVE COMPENSATION**  
18 **AS A MEMBER OF THE TASK FORCE BUT IS ENTITLED TO REIMBURSEMENT FOR**  
19 **EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED**  
20 **IN THE STATE BUDGET.**

21           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2007. It shall remain effective for a period of 1 year and, at the end of ~~July 1,~~  
23 June 30, 2008, with no further action required by the General Assembly, this Act shall  
24 be abrogated and of no further force and effect.