

SENATE BILL 723

C3, J1

0lr2094
CF 0lr2041

By: **Senator Munson**

Introduced and read first time: February 10, 2010

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Clinically Integrated Organizations**

3 FOR the purpose of authorizing certain health insurance carriers to pay a clinically
4 integrated organization or its members for services associated with the
5 coordination of certain covered medical services to certain qualifying
6 individuals; authorizing the carriers to pay a clinically integrated organization
7 or its members certain incentives for a certain purpose; requiring the carriers to
8 share medical information about a qualifying individual with a clinically
9 integrated organization and its members under certain circumstances; defining
10 certain terms; requiring a clinically integrated organization to notify the
11 Maryland Health Care Commission of a certain agreement and to provide a
12 certain report to the Commission under certain circumstances; applying certain
13 provisions of this Act to health maintenance organizations and managed care
14 organizations; and generally relating to payments to and sharing medical
15 information with clinically integrated organizations.

16 BY adding to

17 Article – Health – General
18 Section 15–102.8 and 19–706(cccc)
19 Annotated Code of Maryland
20 (2009 Replacement Volume)

21 BY adding to

22 Article – Insurance
23 Section 15–1801 through 15–1803 to be under the new subtitle “Subtitle 18.
24 Clinically Integrated Organizations”
25 Annotated Code of Maryland
26 (2006 Replacement Volume and 2009 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Health – General**

2 **15–102.8.**

3 **THE PROVISIONS OF TITLE 15, SUBTITLE 18 OF THE INSURANCE ARTICLE**
4 **APPLY TO MANAGED CARE ORGANIZATIONS.**

5 **19–706.**

6 **(CCCC) THE PROVISIONS OF TITLE 15, SUBTITLE 18 OF THE**
7 **INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

8 **Article – Insurance**

9 **SUBTITLE 18. CLINICALLY INTEGRATED ORGANIZATIONS.**

10 **15–1801.**

11 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
12 **INDICATED.**

13 **(B) “CARRIER” MEANS:**

14 **(1) AN INSURER;**

15 **(2) A NONPROFIT HEALTH SERVICE PLAN;**

16 **(3) A HEALTH MAINTENANCE ORGANIZATION; OR**

17 **(4) A MANAGED CARE ORGANIZATION, AS DEFINED IN § 15–101 OF**
18 **THE HEALTH – GENERAL ARTICLE.**

19 **(C) “CLINICALLY INTEGRATED ORGANIZATION” MEANS AN**
20 **ALTERNATIVE HEALTH CARE SYSTEM, AS DEFINED IN § 1–401 OF THE HEALTH**
21 **OCCUPATIONS ARTICLE, IN WHICH HEALTH CARE PROVIDERS PARTICIPATE IN**
22 **PROGRAMS DESIGNED TO:**

23 **(1) EVALUATE AND IMPROVE THE PRACTICE PATTERNS OF THE**
24 **HEALTH CARE PROVIDERS; AND**

25 **(2) CREATE A HIGH DEGREE OF COOPERATION, COLLABORATION,**
26 **AND MUTUAL INTERDEPENDENCE AMONG THE HEALTH CARE PROVIDERS WHO**
27 **PARTICIPATE IN THE ALTERNATIVE HEALTH CARE SYSTEM IN ORDER TO**

1 PROMOTE THE EFFICIENT, MEDICALLY APPROPRIATE DELIVERY OF COVERED
2 MEDICAL SERVICES.

3 (D) "COVERED MEDICAL SERVICES" MEANS THE HEALTH CARE
4 SERVICES THAT ARE INCLUDED AS BENEFITS UNDER A HEALTH BENEFIT PLAN
5 ISSUED BY A CARRIER.

6 (E) (1) "HEALTH BENEFIT PLAN" HAS THE MEANING STATED IN
7 § 15-1301 OF THIS TITLE.

8 (2) "HEALTH BENEFIT PLAN" INCLUDES COVERAGE PROVIDED
9 TO ENROLLEES OF A MANAGED CARE ORGANIZATION, AS DEFINED IN § 15-101
10 OF THE HEALTH - GENERAL ARTICLE.

11 (F) "QUALIFYING INDIVIDUAL" MEANS AN INDIVIDUAL COVERED
12 UNDER A HEALTH BENEFIT PLAN ISSUED BY A CARRIER.

13 15-1802.

14 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE OR THE
15 HEALTH - GENERAL ARTICLE, A CARRIER MAY:

16 (1) PAY A CLINICALLY INTEGRATED ORGANIZATION OR ITS
17 MEMBERS FOR SERVICES ASSOCIATED WITH THE COORDINATION OF COVERED
18 MEDICAL SERVICES TO QUALIFYING INDIVIDUALS; AND

19 (2) PAY A CLINICALLY INTEGRATED ORGANIZATION OR ITS
20 MEMBERS A BONUS, FEE-BASED INCENTIVE, BUNDLED FEES, OR OTHER
21 INCENTIVES TO PROMOTE THE EFFICIENT, MEDICALLY APPROPRIATE DELIVERY
22 OF COVERED MEDICAL SERVICES TO QUALIFYING INDIVIDUALS.

23 15-1803.

24 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE OR THE
25 HEALTH - GENERAL ARTICLE, A CARRIER SHALL SHARE MEDICAL
26 INFORMATION ABOUT A QUALIFYING INDIVIDUAL WITH A CLINICALLY
27 INTEGRATED ORGANIZATION AND ITS MEMBERS IF:

28 (1) THE CARRIER HAS A WRITTEN AGREEMENT WITH THE
29 CLINICALLY INTEGRATED ORGANIZATION;

30 (2) THE MEDICAL INFORMATION IS NOT USED BY THE CLINICALLY
31 INTEGRATED ORGANIZATION TO APPROVE OR DENY CLAIMS; AND

1 **(3) THE MEDICAL INFORMATION IS USED BY THE CLINICALLY**
2 **INTEGRATED ORGANIZATION TO:**

3 **(I) PROMOTE THE EFFICIENT, MEDICALLY APPROPRIATE**
4 **DELIVERY OF COVERED MEDICAL SERVICES TO QUALIFYING INDIVIDUALS;**

5 **(II) COORDINATE CARE, INCLUDING EFFORTS TO**
6 **COORDINATE, PLAN, DEVELOP, MONITOR, SHARE INFORMATION RELATED TO,**
7 **AND OTHERWISE INITIATE A TREATMENT PLAN FOR A QUALIFYING INDIVIDUAL;**

8 **(III) PERFORM THE FUNCTIONS OF A MEDICAL REVIEW**
9 **COMMITTEE AS DESCRIBED IN § 1-401(c) OF THE HEALTH OCCUPATIONS**
10 **ARTICLE; OR**

11 **(IV) OFFER OR PROVIDE COVERED SERVICES OR SEEK**
12 **PAYMENT FOR OR EVALUATE COVERED SERVICES PROVIDED BY THE MEMBERS**
13 **OF THE CLINICALLY INTEGRATED ORGANIZATION.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That, on entering into an
15 agreement with a carrier for incentive payments of the type authorized under
16 § 15-1802 of the Insurance Article, as enacted by Section 1 of this Act, a clinically
17 integrated organization:

18 (1) shall notify the Maryland Health Care Commission of the existence
19 of the agreement; and

20 (2) on request of the Commission, shall provide a report to the
21 Commission that describes any incentive payments received by the clinically
22 integrated organization under the agreement during the prior calendar year.

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2010.