



PRACTICE GROUP

email alert

To: Healthcare Reform Educational Task Force Members

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Maryland Healthcare Reform Update

By Christopher Dean*

This Maryland healthcare reform update summarizes significant proposed legislation and reviews legislation that was introduced in the [previous update](#) and may still become law before the end of the current session.

The legislative timetable in Maryland will end shortly. Legislation that has been approved by the House of Delegates and the Senate before the end of the session at midnight on April 12, 2010, will be presented to Governor Martin O'Malley (D) for his signature into law. O'Malley has up to thirty days to sign or veto the legislation.

Healthcare Reform

Senate Bill (S.B.) 397 and cross-filed House Bill (H.B.) 607, the Health Care Freedom Act, would create a proposed amendment to the Maryland Constitution for consideration at a state referendum in November 2010. This proposed amendment would preserve certain rights for Maryland citizens regarding health insurance despite the federal healthcare reform legislation. The Health Care Freedom Act has not received a report in committee in either the House of Delegates or the Senate.

The Maryland Health Security Act (S.B. 682 and the nearly identical H.B. 767) reintroduces legislation from the previous session of the General Assembly and would establish a mandatory one-payor healthcare system in Maryland. The S.B. received an unfavorable report from the Finance Committee after the Department of Legislative Services could not accurately estimate the fiscal impact of the bill but suggested that the act would require more than \$8 billion in its first year.

S.B. 723/H.B. 1093 would codify payment incentives and health information sharing between clinically integrated organizations and carriers. According to the bill, a clinically integrated organization is an alternative healthcare system that evaluates and improves healthcare practice patterns, and creates a high degree of cooperation and

collaboration to achieve favorable clinical outcomes. S.B. 723/H.B. 1093 would permit carriers (health insurers, health maintenance organizations, managed care organizations, and health service plans) to enter into agreements with clinically integrated organizations to pay bonuses and provide incentives to such organizations to promote the efficient delivery of healthcare. Clinically integrated organizations would be required to notify the Maryland Health Care Commission (MHCC), an independent state agency, of such agreements and report such payments to the MHCC upon request. The S.B. received a favorable vote from the Senate Finance Committee. Lastly, the legislation's fiscal policy note provides that a Maryland physician hospital organization in rural Washington County received a favorable clinical integration letter from the U.S. Federal Trade Commission in 2009.

S.B. 855/H.B. 929 proposes the creation of a Patient Centered Medical Home Program to permit primary care practices to provide coordinated, comprehensive, and ongoing medical care services to covered individuals. The MHCC would create the program and study and report to the General Assembly on the program's cost efficiencies. Similar to H.B. 1093/S.B. 723, this legislation would permit carriers that participate in the program to pay bonuses and incentives to participating practices for preferred patient outcomes. The legislation would also explicitly permit the exchange of medical records and information among healthcare providers involved in the program. This legislation was reported favorably out of committee in both the House of Delegates and the Senate.

H.B. 1015 would require the Maryland Insurance Administration to study and report on allowing Maryland residents to purchase health insurance from insurance companies in other states to promote competition in the health insurance industry. The report, which must be completed before the next session, would also study the feasibility of establishing an Interstate Health Insurance Compact. This legislation was approved unanimously by the House of Delegates and has been submitted to the Senate.

Previous Legislation

Of the legislation identified in the previous Maryland update, the following bills may still be passed by both houses of the General Assembly and presented to O'Malley for his signature: S.B. 279/H.B. 525 (the State False Health Claims Act; approved by the Senate); S.B. 291/H.B. 114 (Health Occupation Licensing Board Revisions; approved by the Senate); H.B. 324 (no cross-filed S.B.) (Maryland In-Office Patient Referrals for Radiology Services); and S.B. 314/H.B. 147 (Reimbursement for Non-Participating Providers Who Provide On-Call Services; approved by the Senate).

**We would like to thank Christopher Dean, Esquire (OBER/KALER, Baltimore, MD), for providing this email alert.*

Member benefit educational opportunity:

Join Julie Barnes of the New America Foundation for an [initial analysis](#) of the healthcare reform legislation and what you need to act on now

— (March 30, 2010).

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