

SENATE BILL 886

J3, J2

6lr3047
CF 6lr2781

By: **Senator Middleton**

Introduced and read first time: February 5, 2016

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health – Collaborations to Promote Provider Alignment**

3 FOR the purpose of exempting collaborations to promote provider alignment from certain
4 provisions of law that prohibit a health care practitioner from referring a patient or
5 directing certain persons to refer a patient to a certain health care entity, prohibit a
6 health care practitioner from presenting or causing to be presented to certain
7 persons certain demands for payment, and require a health care practitioner to
8 disclose the existence of a beneficial interest under certain circumstances; providing
9 that certain provisions of this Act may not be construed to affect certain exceptions
10 or modify certain definitions; establishing the purpose of collaborations to promote
11 provider alignment; defining certain terms; and generally relating to collaborations
12 to promote provider alignment.

13 BY adding to

14 Article – Health – General
15 Section 19–1C–01 through 19–1C–03 to be under the new subtitle “Subtitle 1C.
16 Collaborations to Promote Provider Alignment”
17 Annotated Code of Maryland
18 (2015 Replacement Volume)

19 BY repealing and reenacting, with amendments,

20 Article – Health Occupations
21 Section 1–302(a) and (b) and 1–303(a)
22 Annotated Code of Maryland
23 (2014 Replacement Volume and 2015 Supplement)

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

26 **Article – Health – General**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **SUBTITLE 1C. COLLABORATIONS TO PROMOTE PROVIDER ALIGNMENT.**

2 **19-1C-01.**

3 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
4 **INDICATED.**

5 **(B) “COLLABORATIONS TO PROMOTE PROVIDER ALIGNMENT” MEANS**
6 **COLLABORATIONS THAT:**

7 **(1) INVOLVE THE DISTRIBUTION, EITHER DIRECTLY OR INDIRECTLY**
8 **THROUGH A CONTRACT, OF COMPENSATION, EITHER IN CASH OR IN-KIND:**

9 **(I) ATTRIBUTABLE TO A RISK-SHARING ARRANGEMENT OR**
10 **VALUE-BASED PAYMENT MODEL BETWEEN:**

11 1. **A RISK-BEARING HEALTH CARE ENTITY; AND**

12 2. **A HEALTH CARE PRACTITIONER;**

13 **(II) ATTRIBUTABLE TO A VALUE-BASED PAYMENT MODEL**
14 **BETWEEN:**

15 1. **A PAYER; AND**

16 2. **A HEALTH CARE PRACTITIONER; OR**

17 **(III) UNDER A VALUE-BASED PAYMENT MODEL THAT MEETS THE**
18 **CRITERIA ESTABLISHED BY THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID**
19 **SERVICES;**

20 **(2) PROMOTE ACCOUNTABILITY FOR THE OVERALL CARE OF**
21 **PATIENTS, INCLUDING THE QUALITY AND COST OF CARE; AND**

22 **(3) ENCOURAGE INVESTMENT IN REDESIGNED CARE PROCESSES FOR**
23 **HIGH QUALITY AND EFFICIENT SERVICE DELIVERY TO PATIENTS.**

24 **(C) “HEALTH CARE ENTITY” MEANS A BUSINESS ENTITY THAT PROVIDES**
25 **HEALTH CARE SERVICES FOR THE:**

26 **(1) TESTING, DIAGNOSIS, OR TREATMENT OF HUMAN DISEASE OR**
27 **DYSFUNCTION; OR**

1 **(2) DISPENSING OF DRUGS, MEDICAL DEVICES, MEDICAL**
2 **APPLIANCES, OR MEDICAL GOODS FOR THE TREATMENT OF HUMAN DISEASE OR**
3 **DYSFUNCTION.**

4 **(D) “HEALTH CARE PRACTITIONER” MEANS A PERSON WHO IS LICENSED,**
5 **CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH OCCUPATIONS**
6 **ARTICLE TO PROVIDE HEALTH CARE SERVICES IN THE ORDINARY COURSE OF**
7 **BUSINESS OR PRACTICE OF A PROFESSION.**

8 **(E) “RISK-BEARING HEALTH CARE ENTITY” INCLUDES:**

9 **(1) AN ACUTE CARE HOSPITAL LICENSED UNDER SUBTITLE 3 OF THIS**
10 **TITLE;**

11 **(2) AN ACADEMIC MEDICAL CENTER;**

12 **(3) A HEALTH CARE ENTITY, INCLUDING A GROUP PRACTICE, THAT**
13 **ACCEPTS A PROSPECTIVELY DETERMINED PAYMENT FOR THE PROVISION OF A**
14 **DEFINED SERVICE OR PACKAGE OF SERVICES AND QUALITY OUTCOMES, SOME OF**
15 **WHICH ARE PROVIDED OR ORDERED BY OTHER PERSONS OR ENTITIES; OR**

16 **(4) ANY ORGANIZATION THAT MEETS THE CRITERIA FOR AN**
17 **ACCOUNTABLE CARE ORGANIZATION ESTABLISHED BY THE FEDERAL DEPARTMENT**
18 **OF HEALTH AND HUMAN SERVICES.**

19 **19-1C-02.**

20 **THE PURPOSE OF COLLABORATIONS TO PROMOTE PROVIDER ALIGNMENT IS**
21 **TO ACHIEVE THE GOALS OF MARYLAND’S ALL-PAYER MODEL CONTRACT APPROVED**
22 **BY THE FEDERAL CENTER FOR MEDICARE AND MEDICAID INNOVATION.**

23 **19-1C-03.**

24 **(A) THE PROVISIONS OF §§ 1-302(A) AND (B) AND 1-303 OF THE HEALTH**
25 **OCCUPATIONS ARTICLE DO NOT APPLY TO COLLABORATIONS TO PROMOTE**
26 **PROVIDER ALIGNMENT.**

27 **(B) THIS SECTION MAY NOT BE CONSTRUED TO:**

28 **(1) AFFECT AN EXCEPTION UNDER § 1-302(D) OF THE HEALTH**
29 **OCCUPATIONS ARTICLE; OR**

1 **(2) MODIFY A DEFINITION UNDER § 1-301 OF THE HEALTH**
2 **OCCUPATIONS ARTICLE.**

3 **Article – Health Occupations**

4 1-302.

5 (a) Except as provided in subsection (d) of this section **AND § 19-1C-03 OF THE**
6 **HEALTH – GENERAL ARTICLE**, a health care practitioner may not refer a patient, or
7 direct an employee of or person under contract with the health care practitioner to refer a
8 patient to a health care entity:

9 (1) In which the health care practitioner or the practitioner in combination
10 with the practitioner’s immediate family owns a beneficial interest;

11 (2) In which the practitioner’s immediate family owns a beneficial interest
12 of 3 percent or greater; or

13 (3) With which the health care practitioner, the practitioner’s immediate
14 family, or the practitioner in combination with the practitioner’s immediate family has a
15 compensation arrangement.

16 (b) **[A] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION AND §**
17 **19-1C-03 OF THE HEALTH – GENERAL ARTICLE**, A health care entity or a referring
18 health care practitioner may not present or cause to be presented to any individual, third
19 party payor, or other person a claim, bill, or other demand for payment for health care
20 services provided as a result of a referral prohibited by this subtitle.

21 1-303.

22 (a) Except as provided in subsection (c) of this section **[and]**, Title 12 of this
23 article, **AND § 19-1C-03 OF THE HEALTH – GENERAL ARTICLE**, a health care
24 practitioner making a lawful referral shall disclose the existence of the beneficial interest
25 in accordance with provisions of this section.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2016.