

SENATE BILL 896

J1

(8lr3492)

ENROLLED BILL

— Finance/Health and Government Operations —

Introduced by **Senator Guzzone**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 ~~Public Health~~ Maryland Health Care Commission – Health Record and Payment
3 ~~Clearinghouse – Pilot~~ Integration Program Advisory Committee

4 FOR the purpose of requiring the Maryland Health Care Commission, ~~subject to certain~~
5 ~~limitations,~~ to establish and implement a certain health record and payment
6 ~~clearinghouse pilot program on or before a certain date; requiring the Commission,~~
7 ~~on or before a certain date, to develop certain standards and determine certain~~
8 ~~information; authorizing the Commission to contract with an outside entity to~~
9 ~~establish and maintain the health record and payment clearinghouse; specifying the~~
10 ~~capabilities the health record and payment clearinghouse must have; requiring the~~
11 ~~Commission to solicit feedback from certain users of the health record and payment~~
12 ~~clearinghouse; requiring the Commission to report on the status and implementation~~
13 ~~of the pilot program to the Senate Education, Health, and Environmental Affairs~~
14 ~~Committee and the House Health and Government Operations Committee on or~~
15 ~~before a certain date each year; requiring the Commission, on or before a certain~~

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.

Italics indicate opposite chamber/conference committee amendments.



~~date, to research and evaluate existing public and private health record and payment clearinghouses; requiring the Commission, on or before a certain date, to make certain recommendations for financing the establishment and maintenance of a health record and payment clearinghouse pilot program; a Maryland Health Record and Payment Integration Program Advisory Committee; requiring the Commission to select members of the Advisory Committee from certain persons; requiring the Advisory Committee to study the feasibility of creating a health record and payment integration program, certain approaches, and certain other issues; authorizing the Advisory Committee, to the extent allowed by law, to use certain information in carrying out its duties; requiring the Commission to submit a certain report to the Governor and the General Assembly on or before a certain date; defining a certain term; providing for the termination of this Act; and generally relating to the health record and payment clearinghouse Health Record and Payment Integration Program Advisory Committee.~~

~~BY adding to~~

~~Article — Health — General~~

~~Section 19-150 and 19-151 to be under the new part “Part VI. Health Record and Payment Clearinghouse”~~

~~Annotated Code of Maryland~~

~~(2015 Replacement Volume and 2017 Supplement)~~

~~Preamble~~

~~WHEREAS, Maryland has been a leader in health care financing, research, and treatment; and~~

~~WHEREAS, The cost of health care continues to rise, resulting in many individuals not being able to afford health care; and~~

~~WHEREAS, The cost of health care in the United States is among the highest in the world, yet the measures of the effectiveness of our health care system are well below those of other advanced countries; and~~

~~WHEREAS, The high administrative cost of our current health care system is approximately between 3.1% and 31% of every dollar spent on health care expenditures; and~~

~~WHEREAS, Health care billing, and reimbursement, and record sharing methods are still largely old-fashioned, despite advances in computer technology; and~~

~~WHEREAS, Technologies are available and are already in place in other countries to make a significant impact on health care and the economics of delivering health care services if standards are implemented to allow interoperability and compatibility of systems for immediate online record keeping, billing, payment, and reporting; and~~

1 ~~WHEREAS, A card with a credit card like magnetic strip and password protections~~
2 ~~can provide secure access to a patient's health insurance and health history information by~~
3 ~~accessing secure servers over the Internet; and~~

4 ~~WHEREAS, The implementation of such a system in the State, and ultimately in the~~
5 ~~entire United States, could reduce the cost of health care by up to 15% or more, with an~~
6 ~~estimated yearly savings for Maryland exceeding \$6,200,000,000 and for the United States~~
7 ~~exceeding \$350,000,000,000 per year; and~~

8 ~~WHEREAS, Health care is approximately 16% to 18% of the cost of most products~~
9 ~~and services purchased; and~~

10 ~~WHEREAS, A savings of 10% in the cost of health care could reduce the cost of many~~
11 ~~products by up to 1.8%, providing benefits well beyond the field of health care; and~~

12 ~~WHEREAS, The benefits of streamlining the administration of health care extend~~
13 ~~well beyond the field of health care; and~~

14 ~~WHEREAS, The introduction of rapid and secure electronic access to patient records~~
15 ~~can improve the timeliness of the provision of health care and reduce the cost of health care~~
16 ~~while improving the quality of and access to health care; and~~

17 ~~WHEREAS, Reductions in the cost of health care will improve access to health care;~~
18 ~~and~~

19 ~~WHEREAS, Patients can decide individually if they wish to allow their electronic~~
20 ~~health records, without any personal identifying information, to be used for health care~~
21 ~~research to help others; and~~

22 ~~WHEREAS, Reporting matters of public health interest can be accomplished rapidly~~
23 ~~and accurately with electronic systems, leading to improvements in public health; and~~

24 ~~WHEREAS, The many benefits of modern electronic payment and health care~~
25 ~~records systems will improve the quality of life for Maryland residents; and~~

26 ~~WHEREAS, State government will benefit from an estimated \$70,000,000 reduction~~
27 ~~in reducing the cost of health care for its employees once implemented as well as from and~~
28 ~~reduced cost of goods produced in Maryland; and~~

29 ~~WHEREAS, Maryland can serve as a test state for all of the United States and can~~
30 ~~seek federal grants to assist with the project; and~~

31 ~~WHEREAS, Government must set the standards for an electronic payment and~~
32 ~~health care records system and lead the way for participation by private industry; and~~

33 ~~WHEREAS, Initial participation by health care providers and payers shall can be~~
34 ~~voluntary; and~~

~~WHEREAS, The Maryland State Medical Society (MedChi) and the Maryland Psychiatric Society have already passed resolutions endorsing the concept of an electronic payment and health care records system; and~~

~~WHEREAS, It is in the public interest that the State government provide grants and incentives to set up an electronic system for providing health care to State employees and for the benefit of all Marylanders; now, therefore,~~

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

(a) The Maryland Health Care Commission shall establish a Health Record and Payment Integration Program Advisory Committee.

(b) The Commission shall select the members of the Health Record and Payment Integration Program Advisory Committee from:

(1) managed care organizations, as defined in § 15-101 of the Health – General Article;

(2) individuals licensed, certified, or registered under the Health Occupations Article to provide health care;

(3) facilities that provide health care to individuals; ~~and~~

(4) persons that provide health care supplies or medications; *and*

(5) *health insurers and carriers.*

(c) The Health Record and Payment Integration Program Advisory Committee shall study:

(1) the feasibility of creating a health record and payment integration program, including:

(i) the feasibility of incorporating administrative health care claim transactions into the State-designated health information exchange established under § 19-143 of the Health – General Article for the purpose of improving health care coordination and encounter notification;

(ii) the feasibility of establishing a free and secure web-based portal that providers can use, regardless of the method of payment being used for health care services, to:

1. create and maintain health records; and

~~(3) ALLOWS THE EXCHANGE OF DATA BETWEEN SYSTEMS USED BY PROVIDERS AND CARRIERS FOR THE PAYMENT OF HEALTH CARE CLAIMS;~~

~~(4) INTERACTS WITH THE PRESCRIPTION DRUG MONITORING PROGRAM SO THAT PRESCRIPTION DRUG DATA CAN BE RETRIEVED THROUGH THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE;~~

~~(5) MEETS FEDERAL AND STATE REQUIREMENTS REGARDING THE CONFIDENTIALITY OF MEDICAL RECORDS; AND~~

~~(6) IS AVAILABLE SECURELY ONLINE.~~

~~19-151.~~

~~(A) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET AND ANY OTHER DESIGNATED FUNDING, ON OR BEFORE JULY 1, 2020, THE COMMISSION SHALL ESTABLISH AND IMPLEMENT FOR USE IN A PILOT PROGRAM FOR VOLUNTEER COMPANIES, MUNICIPALITIES, COUNTY EMPLOYEE ORGANIZATIONS, AND EDUCATION EMPLOYEE ORGANIZATIONS AND FOR HEALTH BENEFITS AND SERVICES FOR STATE GOVERNMENT EMPLOYEES A HEALTH RECORD AND PAYMENT CLEARINGHOUSE.~~

~~(B) ON OR BEFORE JULY 1, 2019, THE COMMISSION SHALL:~~

~~(1) DEVELOP STANDARDS THAT HEALTH CARE RECORDS AND REQUESTS FOR HEALTH CARE PAYMENTS MUST MEET TO BE ACCESSED OR FILED AND MADE THROUGH THE HEALTH CARE RECORD AND PAYMENT CLEARINGHOUSE;~~

~~(2) DETERMINE WHETHER THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE SHOULD MAINTAIN DATA ABOUT EACH PATIENT, INCLUDING INFORMATION ON THE PATIENT'S:~~

~~(I) DEMOGRAPHICS;~~

~~(II) INSURANCE COVERAGE;~~

~~(III) DIAGNOSES;~~

~~(IV) MEDICATIONS;~~

~~(V) ALLERGIES;~~

~~(VI) ADVERSE REACTIONS;~~

1 ~~(VII) HOSPITALIZATIONS;~~

2 ~~(VIII) TREATMENTS;~~

3 ~~(IX) HEALTH CARE PROVIDERS;~~

4 ~~(X) VACCINATIONS;~~

5 ~~(XI) LABORATORY TESTS AND RESULTS;~~

6 ~~(XII) ELECTROCARDIOGRAPHY TESTS AND RESULTS; AND~~

7 ~~(XIII) RADIOLOGY STUDIES AND REPORTS.~~

8 ~~(C) THE COMMISSION MAY CONTRACT WITH AN OUTSIDE ENTITY, OR~~
9 ~~CHESAPEAKE REGIONAL INFORMATION SYSTEM FOR OUR PATIENTS, TO~~
10 ~~ESTABLISH AND MAINTAIN THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE~~
11 ~~FOR THE PILOT PROGRAM.~~

12 ~~(D) THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE SHALL:~~

13 ~~(1) CREATE AND MAINTAIN ACCESS SECURITY LOGS;~~

14 ~~(2) INCLUDE SECURITY AND BACKUP SAFEGUARDS;~~

15 ~~(3) INDICATE WHEN A PORTION OF A HEALTH RECORD MAINTAINED~~
16 ~~ELSEWHERE IS OFFLINE AND PROVIDE MINIMAL DATA, AS DETERMINED BY THE~~
17 ~~COMMISSION, REGARDING THE RECORD;~~

18 ~~(4) INCLUDE A FREE AND SECURE WEB-BASED PORTAL THAT~~
19 ~~PROVIDERS CAN USE WITHOUT REGARD TO THE METHOD OF PAYMENT BEING USED~~
20 ~~FOR A HEALTH CARE SERVICE TO:~~

21 ~~(I) CREATE, MAINTAIN, AND PROVIDE ACCESS BY AUTHORIZED~~
22 ~~INDIVIDUALS TO HEALTH RECORDS; AND~~

23 ~~(II) FILE FOR PAYMENT FOR HEALTH CARE SERVICES~~
24 ~~PROVIDED;~~

25 ~~(5) PROVIDE FOR THE DETERMINATION AND COLLECTION OF ALL~~
26 ~~BENEFITS, COPAYS, AND DEDUCTIBLES AT THE POINT OF SERVICE WITH CLAIM~~
27 ~~ADJUDICATION WITHIN 24 HOURS;~~

1 ~~(6) PROVIDE FOR THE IMMEDIATE ANSWERING OF QUESTIONS~~
2 ~~REGARDING COVERED SERVICES AND BENEFITS AT THE POINT OF SERVICE;~~

3 ~~(7) PROVIDE FOR THE SUBMISSION OF AN ELECTRONIC RECORD OF~~
4 ~~HEALTH CARE SERVICES, SUPPLIES, AND MEDICATIONS PROVIDED OR PRESCRIBED~~
5 ~~IN ORDER FOR PAYMENT TO BE RECEIVED;~~

6 ~~(8) PROVIDE FOR THE FORMAT AND CONTENT OF THE MINIMUM~~
7 ~~MEDICAL RECORD DATA SET REQUIRED FOR PAYMENT THROUGH THE HEALTH~~
8 ~~RECORD AND PAYMENT CLEARINGHOUSE;~~

9 ~~(9) INCLUDE THE ABILITY TO PROVIDE REQUIRED DATA SECURELY~~
10 ~~OVER THE INTERNET WITHOUT REQUIRING PROVIDERS OR SUPPLIERS TO PAY FOR~~
11 ~~PROPRIETARY SOFTWARE, OTHER THAN PAYING ANY USER FEE TO COVER THE COST~~
12 ~~OF STARTUP AND OPERATIONS OF THE HEALTH RECORD AND PAYMENT~~
13 ~~CLEARINGHOUSE;~~

14 ~~(10) ALLOW THE USE OF PROPRIETARY SOFTWARE THAT CAN OFFER~~
15 ~~EXPANDED FUNCTIONALITY FOR PROVIDERS TO INTERACT WITH THE HEALTH~~
16 ~~RECORD AND PAYMENT CLEARINGHOUSE TO PROVIDE AND OBTAIN ALL~~
17 ~~INFORMATION AND PAYMENTS NEEDED FOR HEALTH CARE SERVICES;~~

18 ~~(11) ENSURE THAT EACH PATIENT HAS A UNIQUE IDENTIFIER~~
19 ~~ASSIGNED AND MAINTAINED CENTRALLY BY THE DEPARTMENT;~~

20 ~~(12) DIRECT DATA REQUESTS TO THE CORRECT SERVER OR RECORD~~
21 ~~HOLDER AND ALLOW FOR MULTIPLE SERVERS OR RECORD HOLDERS TO HOUSE~~
22 ~~SOME OR ALL OF THE INFORMATION FOR EACH PATIENT;~~

23 ~~(13) ALLOW EACH PATIENT TO INDICATE WHETHER OR NOT THE~~
24 ~~PATIENT WANTS TO ALLOW RESEARCHERS TO ANONYMOUSLY ACCESS THE~~
25 ~~PATIENT'S HEALTH CARE RECORDS AND TO WITHDRAW PERMISSION ONCE GIVEN;~~

26 ~~(14) ALLOW FOR SECURE ACCESS THROUGH SPECIFIC TERMINALS BY~~
27 ~~EMERGENCY ROOM PERSONNEL WHEN A PATIENT IS UNABLE TO PROVIDE~~
28 ~~INFORMATION THAT WOULD BE REQUIRED TO ACCESS THE PATIENT'S INFORMATION~~
29 ~~THROUGH THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE;~~

30 ~~(15) INCLUDE THE OPTION AFTER THE FIRST YEAR OF THE PILOT~~
31 ~~PROGRAM TO USE HEALTH CARDS THAT:~~

32 ~~(i) INCLUDE A COMBINATION OF CREDIT CARDS, DEBIT CARDS,~~
33 ~~AND HEALTH SAVINGS CARDS; AND~~

1 ~~(H) PROVIDE INFORMATION, LINKAGES, AND PAYMENTS SO~~
2 ~~THAT ONLY ONE CARD IS REQUIRED TO COMPLETE ALL ASPECTS OF A HEALTH CARE~~
3 ~~PAYMENT;~~

4 ~~(16) ALLOW FOR ONLINE AND OFFLINE APPEAL OF DENIED SERVICES,~~
5 ~~BENEFITS, OR PAYMENTS;~~

6 ~~(17) SUPPORT A HIGH VOLUME OF SIMULTANEOUS USERS, BASED ON~~
7 ~~THE TOTAL NUMBER OF PROVIDERS IN THE STATE;~~

8 ~~(18) BE COMPATIBLE WITH BOTH THE WINDOWS AND THE MACINTOSH~~
9 ~~OPERATING SYSTEMS; AND~~

10 ~~(19) MEET ANY OTHER STANDARDS DEVELOPED AND REQUIRED BY~~
11 ~~THE COMMISSION.~~

12 ~~(E) THE COMMISSION SHALL SOLICIT FEEDBACK ON THE HEALTH RECORD~~
13 ~~AND PAYMENT CLEARINGHOUSE FROM THE USERS WHO PARTICIPATE IN THE PILOT~~
14 ~~PROGRAM, INCLUDING:~~

15 ~~(1) HEALTH INSURERS AND CARRIERS;~~

16 ~~(2) NONPROFIT HEALTH SERVICE PLANS;~~

17 ~~(3) HEALTH MAINTENANCE ORGANIZATIONS;~~

18 ~~(4) DENTAL PLAN ORGANIZATIONS;~~

19 ~~(5) MANAGED CARE ORGANIZATIONS AS DEFINED IN § 15-101 OF~~
20 ~~THIS ARTICLE;~~

21 ~~(6) INDIVIDUALS LICENSED, CERTIFIED, OR REGISTERED UNDER THE~~
22 ~~HEALTH OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE;~~

23 ~~(7) FACILITIES THAT PROVIDE HEALTH CARE TO INDIVIDUALS; AND~~

24 ~~(8) PERSONS THAT PROVIDE HEALTH CARE SUPPLIES OR~~
25 ~~MEDICATIONS.~~

26 ~~(F) ON OR BEFORE DECEMBER 21, 2022, AND DECEMBER 21 EACH YEAR~~
27 ~~THEREAFTER, THE COMMISSION SHALL SUBMIT A STATUS REPORT ON THE~~
28 ~~IMPLEMENTATION OF THE PILOT PROGRAM TO THE SENATE EDUCATION, HEALTH,~~
29 ~~AND ENVIRONMENTAL AFFAIRS COMMITTEE AND THE HOUSE HEALTH AND~~

~~1 GOVERNMENT OPERATIONS COMMITTEE IN ACCORDANCE WITH § 2-1246 OF THE
2 STATE GOVERNMENT ARTICLE.~~

~~3 SECTION 2. AND BE IT FURTHER ENACTED, That:~~

~~4 (a) On or before December 31, 2018, the Maryland Health Care Commission shall
5 research and evaluate existing public and private health record and payment
6 clearinghouses.~~

~~7 (b) (1) On or before March 15, 2019, the Commission shall make
8 recommendations for financing the establishment and maintenance of a health record and
9 payment clearinghouse pilot program beginning with fiscal year 2020.~~

~~10 (2) The recommendations:~~

~~11 (i) may include provisions, if federal grants may not be available in
12 time to pay for startup costs, for:~~

~~13 1. nonprofit user fees; and~~

~~14 2. a state bond to be repaid by nonprofit user fees over the
15 course of up to 20 years;~~

~~16 (ii) shall include adjustments to the ceiling for user fees to
17 accommodate the health record and payment clearinghouse and any required bonds or
18 other funding; and~~

~~19 (iii) 1. may include up to \$10,000,000 in grants for up to five
20 health insurance carriers or health insurance providers; and~~

~~21 2. if the recommendations specify that grants should be
22 provided under item 1 of this item, shall specify that the recipient shall agree to provide
23 health plans with the same benefits as in the immediately preceding year with at least a
24 5% discount in the cost.~~

~~25 (3) On or before March 15, 2019, the Commission shall report to the
26 Governor and, in accordance with § 2-1246 of the State Government Article, the General
27 Assembly on its recommendations regarding and funding requests for a health record and
28 payment clearinghouse pilot program.~~

~~29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 July 1, 2018. Section 1 of this This Act shall remain effective for a period of 2 years and,
31 at the end of June 30, 2024 2020, Section 1 of this Act, with no further action required by
32 the General Assembly, shall be abrogated and of no further force and effect. Section 2 of
33 this Act shall remain effective for a period of 1 year and 1 month and, at the end of July 31,
34 2019, Section 2 of this Act, with no further action required by the General Assembly, shall
35 be abrogated and of no further force and effect.~~

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.