

SENATE BILL 682

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SB 881/09 – FIN

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By: **Senators Pinsky, Exum, Forehand, Gladden, Harrington, Jones, Kelley, Lenett, Madaleno, McFadden, Pugh, and Raskin**
Introduced and read first time: February 10, 2010
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health System Act of 2010**

3 FOR the purpose of establishing the Maryland Health System; specifying the purposes
4 of the Health System; stating a certain intention of the General Assembly;
5 providing that certain residents of the State are members of the Health System
6 and are eligible to receive certain benefits; prohibiting certain health care
7 providers from using preexisting medical conditions to determine the eligibility
8 of a member to receive benefits; prohibiting certain health care providers from
9 refusing to provide services to a member on the basis of certain factors;
10 requiring the Maryland Health System Policy Board to establish a certain
11 package of benefits including certain services to be provided by the Health
12 System; providing that certain coverage may not be subject to coinsurance,
13 deductibles, or co-payments; authorizing certain insurers, nonprofit health
14 service plans, and health maintenance organizations to offer benefits that do
15 not duplicate the services covered by the Health System; authorizing a member
16 to choose any participating health care provider; requiring the Health System to
17 make certain reimbursements to certain members; authorizing a participating
18 health care provider to charge a member directly for certain services;
19 prohibiting a participating health care provider from imposing certain charges;
20 requiring the Health System to institute and use an electronic claim and
21 payment system; requiring a participating health care provider to use the
22 electronic claim and payment system to file claims; providing for certain
23 budgets and payments for certain health care providers; establishing the
24 Maryland Health System Policy Board; specifying the membership of the Board
25 and the terms, duties, and powers of the members of the Board; establishing the
26 Maryland Health System Administrative Board; specifying the membership of
27 the Board and the terms, duties, and powers of the members of the Board;
28 establishing the Maryland Health System Health Needs, Planning, and
29 Improvement Board; specifying the membership of the Board and the terms,
30 duties, and powers of the members of the Board; establishing the Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 Health Quality Board; specifying the membership of the Board and the terms,
 2 duties, and powers of the members of the Board; establishing the Maryland
 3 Patient Advocacy Board; specifying the membership of the Board and the terms,
 4 duties, and powers of the members of the Patient Advocacy Board; establishing
 5 the Maryland Health System Trust Fund; specifying the purposes, contents,
 6 and uses of the Fund; establishing the Maryland Health System Fund Board;
 7 specifying the membership of the Fund Board and the terms, duties, and powers
 8 of the members of the Fund Board; establishing the Maryland Health System
 9 Payment Board; specifying the membership of the Board and the terms, duties,
 10 and powers of the members of the Board; establishing the Office of the Health
 11 Inspector General; specifying the duties of the Health Inspector General;
 12 specifying the initial terms of the appointed members of the Maryland Health
 13 System Policy Board; requiring the Department of Health and Mental Hygiene
 14 to apply to the Secretary of Health and Human Services for certain waivers
 15 from certain federal requirements on or before a certain date; requiring the
 16 Maryland Health System Policy Board to seek certain waivers on or before a
 17 certain date; requiring the Maryland Health System Policy Board to submit a
 18 certain report to the Governor and the General Assembly on or before a certain
 19 date; providing that negotiated health insurance contributions made by
 20 employers on behalf of employees who are working in the State temporarily but
 21 who reside outside the State may not be abridged by this Act; defining certain
 22 terms; providing for the effective dates of this Act; and generally relating to the
 23 Maryland Health System.

24 BY adding to
 25 Article – Health – General
 26 Section 25–101 through 25–1001 to be under the new title “Title 25. Maryland
 27 Health System”
 28 Annotated Code of Maryland
 29 (2009 Replacement Volume)

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

32 **Article – Health – General**

33 **TITLE 25. MARYLAND HEALTH SYSTEM.**

34 **SUBTITLE 1. DEFINITIONS.**

35 **25–101.**

36 **(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
 37 **INDICATED.**

38 **(B) “ADMINISTRATIVE BOARD” MEANS THE MARYLAND HEALTH**
 39 **SYSTEM ADMINISTRATIVE BOARD.**

1 (C) **“FUND” MEANS THE MARYLAND HEALTH SYSTEM TRUST FUND.**

2 (D) **“FUND BOARD” MEANS THE MARYLAND HEALTH SYSTEM FUND**
3 **BOARD.**

4 (E) (1) **“GLOBAL BUDGET” MEANS A COMPREHENSIVE BUDGET**
5 **COVERING ALL EXPENDITURES OF THE HEALTH SYSTEM.**

6 (2) **“GLOBAL BUDGET” INCLUDES:**

7 (I) **A CAPITAL INVESTMENT BUDGET;**

8 (II) **A PURCHASING BUDGET;**

9 (III) **A BUDGET TO TRANSITION TO THE HEALTH SYSTEM;**

10 (IV) **A PUBLIC HEALTH BUDGET;**

11 (V) **A MEDICAL EDUCATION BUDGET; AND**

12 (VI) **A RESEARCH AND INNOVATION BUDGET.**

13 (F) **“HEALTH CARE PROVIDER” MEANS:**

14 (1) **AN INDIVIDUAL LICENSED, CERTIFIED, OR OTHERWISE**
15 **AUTHORIZED UNDER THE HEALTH OCCUPATIONS ARTICLE TO PROVIDE**
16 **HEALTH CARE SERVICES; AND**

17 (2) **A HEALTH CARE FACILITY LICENSED BY THE DEPARTMENT.**

18 (G) **“HEALTH NEEDS, PLANNING, AND IMPROVEMENT BOARD” MEANS**
19 **THE MARYLAND HEALTH SYSTEM HEALTH NEEDS, PLANNING, AND**
20 **IMPROVEMENT BOARD.**

21 (H) **“HEALTH POLICY BOARD” MEANS THE MARYLAND HEALTH**
22 **SYSTEM POLICY BOARD.**

23 (I) **“HEALTH QUALITY BOARD” MEANS THE MARYLAND HEALTH**
24 **SYSTEM QUALITY BOARD.**

25 (J) **“HEALTH SYSTEM” MEANS THE MARYLAND HEALTH SYSTEM.**

26 (K) **“MEMBER” MEANS A MEMBER OF THE HEALTH SYSTEM.**

1 **(L) “PATIENT ADVOCACY BOARD” MEANS THE MARYLAND HEALTH**
2 **SYSTEM PATIENT ADVOCACY BOARD.**

3 **(M) “PAYMENT BOARD” MEANS MARYLAND HEALTH SYSTEM PAYMENT**
4 **BOARD.**

5 **(N) “RESIDENT” MEANS AN INDIVIDUAL WHO IS DOMICILED IN THE**
6 **STATE.**

7 **SUBTITLE 2. MARYLAND HEALTH SYSTEM.**

8 **25–201.**

9 **(A) THERE IS A MARYLAND HEALTH SYSTEM.**

10 **(B) THE PURPOSES OF THE HEALTH SYSTEM ARE TO:**

11 **(1) PROVIDE:**

12 **(I) HEALTH CARE SERVICES TO ALL RESIDENTS OF THE**
13 **STATE UNDER A SINGLE SYSTEM THAT IS NOT DEPENDENT ON EMPLOYMENT;**

14 **(II) CHOICE OF AND ACCESS TO A HEALTH CARE PROVIDER**
15 **TO ALL RESIDENTS OF THE STATE;**

16 **(III) A COMPREHENSIVE AND COORDINATED SYSTEM OF**
17 **HEALTH CARE SERVICES FOR ALL RESIDENTS OF THE STATE; AND**

18 **(IV) PUBLIC FINANCING OF HEALTH CARE SERVICES FOR**
19 **ALL RESIDENTS OF THE STATE;**

20 **(2) REDUCE THE COST OF HEALTH CARE THROUGH IMPROVED**
21 **QUALITY OF CARE AND PROMOTION OF PREVENTIVE HEALTH CARE SERVICES**
22 **AND PUBLIC HEALTH MEASURES; AND**

23 **(3) ESTABLISH MECHANISMS TO:**

24 **(I) REDUCE MEDICAL ERRORS;**

25 **(II) DECREASE DISPARITIES IN HEALTH OUTCOMES;**

26 **(III) RESOLVE HEALTH CARE PROVIDER SHORTAGES; AND**

1 (IV) ENSURE TRANSPARENCY AND ACCOUNTABILITY TO THE
2 PUBLIC.

3 (C) IT IS THE INTENTION OF THE GENERAL ASSEMBLY THAT IF A
4 NATIONAL HEALTH PLAN IS DEVELOPED, THE HEALTH SYSTEM WILL BECOME A
5 PART OF THE NATIONAL HEALTH PLAN.

6 25-202.

7 (A) EACH RESIDENT OF THE STATE IS:

8 (1) A MEMBER OF THE HEALTH SYSTEM; AND

9 (2) ELIGIBLE TO RECEIVE BENEFITS FOR HEALTH CARE
10 SERVICES COVERED BY THE HEALTH SYSTEM.

11 (B) A PARTICIPATING HEALTH CARE PROVIDER MAY NOT:

12 (1) USE PREEXISTING MEDICAL CONDITIONS TO DETERMINE THE
13 ELIGIBILITY OF A MEMBER TO RECEIVE BENEFITS FOR HEALTH CARE SERVICES
14 COVERED BY THE HEALTH SYSTEM; OR

15 (2) REFUSE TO PROVIDE HEALTH CARE SERVICES TO A MEMBER
16 ON THE BASIS OF RACE, COLOR, INCOME LEVEL, NATIONAL ORIGIN, RELIGION,
17 GENDER, HEALTH CONDITION, AGE, LANGUAGE, SEXUAL ORIENTATION, FAMILY
18 STATUS, OR GEOGRAPHY.

19 25-203.

20 THE HEALTH POLICY BOARD SHALL ESTABLISH A COMPREHENSIVE
21 PACKAGE OF BENEFITS TO BE PROVIDED BY THE HEALTH SYSTEM, INCLUDING:

22 (1) ALL MEDICALLY NECESSARY CARE;

23 (2) PREVENTIVE CARE;

24 (3) INTEGRATED HEALTH SERVICES;

25 (4) MENTAL HEALTH SERVICES;

26 (5) SUBSTANCE ABUSE TREATMENT SERVICES;

27 (6) HOME- AND COMMUNITY-BASED SERVICES;

- 1 (7) **DENTAL SERVICES;**
2 (8) **BASIC VISION SERVICES; AND**
3 (9) **PRESCRIPTION DRUGS AND DEVICES.**

4 **25-204.**

5 **COVERAGE FOR HEALTH CARE SERVICES PROVIDED BY THE HEALTH**
6 **SYSTEM MAY NOT BE SUBJECT TO COINSURANCE, DEDUCTIBLES, OR**
7 **CO-PAYMENTS.**

8 **25-205.**

9 **(A) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH**
10 **MAINTENANCE ORGANIZATION THAT IS ISSUED A CERTIFICATE OF AUTHORITY**
11 **BY THE MARYLAND INSURANCE COMMISSIONER MAY OFFER BENEFITS THAT DO**
12 **NOT DUPLICATE THE HEALTH CARE SERVICES COVERED BY THE HEALTH**
13 **SYSTEM.**

14 **(B) THIS TITLE DOES NOT PROHIBIT:**

15 **(1) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH**
16 **MAINTENANCE ORGANIZATION FROM OFFERING BENEFITS TO OR FOR**
17 **INDIVIDUALS AND DEPENDENTS WHO ARE EMPLOYED OR**
18 **SELF-EMPLOYED IN THE STATE BUT WHO ARE NOT RESIDENTS OF THE STATE;**
19 **OR**

20 **(2) A RESIDENT WHO IS EMPLOYED OUTSIDE THE STATE FROM**
21 **CHOOSING TO RECEIVE HEALTH INSURANCE BENEFITS THROUGH THE**
22 **RESIDENT'S EMPLOYER AND OPTING OUT OF PARTICIPATION IN THE HEALTH**
23 **SYSTEM.**

24 **25-206.**

25 **(A) A MEMBER MAY CHOOSE ANY PARTICIPATING HEALTH CARE**
26 **PROVIDER.**

27 **(B) THE ADMINISTRATIVE BOARD SHALL ESTABLISH PROCEDURES FOR**
28 **MEMBERS ENROLLED IN A PRACTICE THAT PROVIDES SERVICES ON A**
29 **CAPITATED BASIS TO DISENROLL FROM OR SEEK SERVICES OUTSIDE OF THE**
30 **PRACTICE.**

1 **(C) (1) THE HEALTH SYSTEM SHALL REIMBURSE A MEMBER WHO**
2 **RECEIVES HEALTH CARE SERVICES FROM AN OUT-OF-STATE HEALTH CARE**
3 **PROVIDER IF THE SERVICES RECEIVED ARE COVERED BY THE HEALTH SYSTEM.**

4 **(2) THE MAXIMUM REIMBURSEMENT FOR A HEALTH CARE**
5 **SERVICE PROVIDED BY AN OUT-OF-STATE HEALTH CARE PROVIDER SHALL BE**
6 **THE AMOUNT PAYABLE TO A PARTICIPATING HEALTH CARE PROVIDER FOR THE**
7 **SERVICE.**

8 **(3) A MEMBER MAY BE CHARGED BY AN OUT-OF-STATE HEALTH**
9 **CARE PROVIDER FOR HEALTH CARE SERVICES THAT ARE NOT COVERED BY THE**
10 **HEALTH SYSTEM.**

11 **(D) A PARTICIPATING HEALTH CARE PROVIDER:**

12 **(1) MAY NOT IMPOSE ADDITIONAL CHARGES FOR HEALTH CARE**
13 **SERVICES COVERED BY THE HEALTH SYSTEM; AND**

14 **(2) MAY CHARGE MEMBERS DIRECTLY FOR HEALTH CARE**
15 **SERVICES RENDERED THAT ARE NOT COVERED BY THE HEALTH SYSTEM.**

16 **(E) (1) THE HEALTH SYSTEM SHALL INSTITUTE:**

17 **(I) AN ELECTRONIC CLAIM AND PAYMENT SYSTEM; AND**

18 **(II) STANDARDIZED CLAIM FORMS AND REPORTING**
19 **METHODS TO THE EXTENT PERMITTED BY FEDERAL LAW.**

20 **(2) IF IT IS MORE COST-EFFECTIVE, THE HEALTH SYSTEM MAY**
21 **CONTRACT WITH A THIRD PARTY TO PROCESS CLAIMS AND ADMINISTER**
22 **PAYMENTS USING AN ELECTRONIC CLAIM AND PAYMENT SYSTEM.**

23 **(3) A PARTICIPATING HEALTH CARE PROVIDER SHALL FILE ALL**
24 **CLAIMS THROUGH THE ELECTRONIC CLAIM AND PAYMENT SYSTEM.**

25 **(4) THE HEALTH SYSTEM SHALL MAKE ALL PAYMENTS TO A**
26 **PARTICIPATING HEALTH CARE PROVIDER THROUGH THE ELECTRONIC CLAIM**
27 **AND PAYMENT SYSTEM.**

28 **25-207.**

29 **(A) (1) A HOSPITAL OR LONG-TERM HEALTH CARE FACILITY SHALL**
30 **RECEIVE AN OPERATING BUDGET FROM THE HEALTH SYSTEM.**

1 **(2) OPERATING EXPENSES MAY NOT BE USED BY A HOSPITAL OR**
2 **A LONG-TERM HEALTH CARE FACILITY FOR A CAPITAL PROJECT THAT IS**
3 **FUNDED BY CHARITABLE DONATIONS.**

4 **(3) ADMINISTRATIVE SALARIES AND BENEFITS AND A CAPITAL**
5 **BUDGET FOR A HOSPITAL OR LONG-TERM HEALTH CARE FACILITY SHALL BE**
6 **NEGOTIATED BY THE HEALTH POLICY BOARD.**

7 **(B) A MENTAL HEALTH OR SUBSTANCE ABUSE FACILITY SHALL RECEIVE**
8 **AN OPERATING BUDGET FROM THE HEALTH SYSTEM.**

9 **(C) PAYMENTS TO A PHYSICIAN OR AN OUTPATIENT FACILITY MAY BE**
10 **STRUCTURED AS AN OPERATING BUDGET OR ON A FEE-FOR-SERVICE BASIS.**

11 **(D) A HEALTH MAINTENANCE ORGANIZATION THAT OWNS ITS**
12 **FACILITIES AND EMPLOYS ITS OWN HEALTH CARE PROVIDERS MAY RECEIVE AN**
13 **OPERATING BUDGET FROM THE HEALTH SYSTEM.**

14 **(E) A FREESTANDING HEALTH CARE DIAGNOSTIC FACILITY SHALL BE**
15 **REIMBURSED ON A FEE-FOR-SERVICE BASIS FOR SERVICES THAT ARE COVERED**
16 **BY THE HEALTH SYSTEM.**

17 **SUBTITLE 3. MARYLAND HEALTH SYSTEM POLICY BOARD.**

18 **25-301.**

19 **THERE IS A MARYLAND HEALTH SYSTEM POLICY BOARD.**

20 **25-302.**

21 **(A) THE HEALTH POLICY BOARD CONSISTS OF THE FOLLOWING**
22 **MEMBERS:**

23 **(1) THE GOVERNOR, OR THE GOVERNOR'S DESIGNEE;**

24 **(2) ONE MEMBER OF THE SENATE WITH HEALTH POLICY**
25 **EXPERIENCE, APPOINTED BY THE PRESIDENT OF THE SENATE; AND**

26 **(3) ONE MEMBER OF THE HOUSE OF DELEGATES WITH HEALTH**
27 **POLICY EXPERIENCE, APPOINTED BY THE SPEAKER OF THE HOUSE OF**
28 **DELEGATES;**

29 **(4) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR:**

1 (I) FOUR REPRESENTATIVES OF STATEWIDE OR REGIONAL
2 PATIENT ADVOCACY ORGANIZATIONS WHO HAVE BEEN INVOLVED IN ISSUES
3 RELATED TO PATIENT ADVOCACY, INCLUDING ISSUES OF INTEREST TO
4 CHILDREN, THE DISABLED, AND THE HOMELESS;

5 (II) TWO REPRESENTATIVES OF ORGANIZED LABOR IN THE
6 STATE, INCLUDING A UNION REPRESENTING HEALTH CARE EMPLOYEES;

7 (III) TWO REPRESENTATIVES OF BUSINESS AND INDUSTRY IN
8 THE STATE;

9 (IV) TWO REPRESENTATIVES OF HOSPITALS IN THE STATE,
10 INCLUDING ONE FROM THE MARYLAND HOSPITAL ASSOCIATION;

11 (V) TWO LICENSED NURSES;

12 (VI) TWO LICENSED PHYSICIANS;

13 (VII) TWO LICENSED NONPHYSICIAN HEALTH CARE
14 PROVIDERS;

15 (VIII) ONE LICENSED DENTIST;

16 (IX) ONE LICENSED MENTAL HEALTH PROVIDER;

17 (X) ONE REPRESENTATIVE FROM EACH BOARD
18 ESTABLISHED UNDER THIS TITLE; AND

19 (XI) FOUR MEMBERS CHOSEN AT THE DISCRETION OF THE
20 GOVERNOR.

21 (B) (1) A MEMBER OF THE HEALTH POLICY BOARD MAY NOT BE
22 EMPLOYED, OR HAVE BEEN EMPLOYED IN ANY CAPACITY WITHIN THE
23 2-YEAR PERIOD IMMEDIATELY PRECEDING THE MEMBER'S APPOINTMENT, BY:

24 (I) A PHARMACEUTICAL COMPANY;

25 (II) A MEDICAL EQUIPMENT COMPANY; OR

26 (III) A FOR PROFIT INSURANCE COMPANY.

27 (2) A MEMBER OF THE HEALTH POLICY BOARD MAY NOT ACCEPT
28 EMPLOYMENT WITH A COMPANY LISTED IN PARAGRAPH (1) OF THIS
29 SUBSECTION FOR 2 YEARS AFTER THE END OF THE MEMBER'S TERM.

1 **(C) (1) THE TERM OF A MEMBER IS 5 YEARS.**

2 **(2) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED**
3 **BY THE TERMS PROVIDED FOR MEMBERS OF THE HEALTH POLICY BOARD ON**
4 **OCTOBER 1, 2010.**

5 **(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**
6 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

7 **(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
8 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**
9 **APPOINTED AND QUALIFIES.**

10 **(5) (I) IF A VACANCY OCCURS AMONG THE MEMBERS**
11 **APPOINTED BY THE GOVERNOR, THE GOVERNOR PROMPTLY SHALL APPOINT A**
12 **SUCCESSOR WHO SHALL SERVE UNTIL THE TERM EXPIRES.**

13 **(II) A MEMBER APPOINTED UNDER SUBPARAGRAPH (I) OF**
14 **THIS PARAGRAPH MAY BE REAPPOINTED FOR A FULL TERM.**

15 **(6) A MEMBER MAY NOT SERVE FOR MORE THAN TWO TERMS.**

16 **(D) FROM AMONG ITS MEMBERS, THE HEALTH POLICY BOARD SHALL**
17 **ELECT A CHAIR AND VICE CHAIR.**

18 **25-303.**

19 **THE HEALTH POLICY BOARD SHALL:**

20 **(1) SOLICIT INPUT FROM THE BOARDS ESTABLISHED UNDER THIS**
21 **TITLE AND ANY OTHER PERSON AS THE BOARD DETERMINES IS APPROPRIATE;**

22 **(2) ESTABLISH A GLOBAL BUDGET FOR THE HEALTH SYSTEM;**

23 **(3) ENSURE THAT THERE IS ADEQUATE FUNDING TO MEET THE**
24 **HEALTH CARE NEEDS OF THE RESIDENTS AND TO COMPENSATE HEALTH CARE**
25 **PROVIDERS WHO PARTICIPATE IN THE HEALTH SYSTEM;**

26 **(4) EVALUATE REQUESTS FOR CAPITAL EXPENSES REQUIRED TO**
27 **MEET THE HEALTH CARE NEEDS OF THE RESIDENTS;**

28 **(5) APPROVE:**

1 (I) ANY CHANGES IN THE SOURCE OF FUNDING FOR THE
2 HEALTH SYSTEM; AND

3 (II) THE BENEFITS PROVIDED BY THE HEALTH SYSTEM;

4 (6) EVALUATE THE PERFORMANCE OF THE HEALTH SYSTEM;

5 (7) EVALUATE AND MAKE RECOMMENDATIONS TO THE GENERAL
6 ASSEMBLY ON ANY LEGISLATION RELATED TO THE HEALTH SYSTEM;

7 (8) GUARANTEE THAT MECHANISMS FOR PUBLIC FEEDBACK ARE
8 ACCESSIBLE AND NONDISCRIMINATORY;

9 (9) GUARANTEE MECHANISMS FOR THE DEVELOPMENT AND
10 IMPLEMENTATION OF STANDARDS OF CARE;

11 (10) DECIDE ON GOALS AND PRIORITIES FOR THE HEALTH
12 SYSTEM;

13 (11) DEVELOP:

14 (I) A PLAN TO COORDINATE THE ACTIVITIES OF THE
15 HEALTH SYSTEM WITH THE ACTIVITIES OF THE MARYLAND HEALTH CARE
16 COMMISSION, THE HEALTH SERVICES COST REVIEW COMMISSION, AND THE
17 MARYLAND BOARD OF PHYSICIANS TO ENSURE APPROPRIATE PLANNING FOR
18 THE ADEQUATE DELIVERY AND DISTRIBUTION OF HEALTH CARE SERVICES
19 THROUGHOUT THE STATE;

20 (II) A PLAN TO PROVIDE MALPRACTICE INSURANCE TO ALL
21 LICENSED HEALTH CARE PROVIDERS WHO ARE PARTICIPANTS IN THE HEALTH
22 SYSTEM;

23 (III) A PLAN TO COORDINATE WITH MEDICAL EDUCATION
24 INSTITUTIONS LOCATED IN THE STATE TO DECREASE DEFICIENCIES IN
25 CATEGORIES OF MEDICAL PROVIDERS INCLUDING PRIMARY CARE AND
26 GENERAL SURGERY; AND

27 (IV) COMMUNITY HEALTH CARE PROGRAMS WITHIN
28 MEDICAL INSTITUTIONS TO PROMOTE THE ACQUISITION OF COMMUNITY-BASED
29 PRACTICE SKILLS WITH AN EMPHASIS ON DISEASE PREVENTION AND PUBLIC
30 HEALTH; AND

31 (12) OVERSEE THE MEMBERS OF:

- 1 (I) **THE ADMINISTRATIVE BOARD;**
- 2 (II) **THE HEALTH NEEDS, PLANNING, AND IMPROVEMENT**
3 **BOARD;**
- 4 (III) **THE HEALTH QUALITY BOARD;**
- 5 (IV) **THE PATIENT ADVOCACY BOARD;**
- 6 (V) **THE PUBLIC ADVISORY COMMITTEE;**
- 7 (VI) **THE OFFICE OF THE HEALTH INSPECTOR GENERAL;**
- 8 (VII) **THE FUND BOARD;**
- 9 (VIII) **THE PAYMENT BOARD; AND**
- 10 (IX) **ANY OTHER BOARDS THAT ARE RELEVANT TO**
11 **CARRYING OUT THE PURPOSES OF THE HEALTH SYSTEM, AS DETERMINED BY**
12 **THE HEALTH POLICY BOARD.**

13 **SUBTITLE 4. MARYLAND HEALTH SYSTEM ADMINISTRATIVE BOARD.**
14 **25-401.**

15 **THERE IS A MARYLAND HEALTH SYSTEM ADMINISTRATIVE BOARD.**

16 **25-402.**

17 **(A) THE ADMINISTRATIVE BOARD CONSISTS OF 15 MEMBERS,**
18 **APPOINTED BY THE GOVERNOR.**

19 **(B) (1) A MEMBER OF THE ADMINISTRATIVE BOARD MAY NOT BE**
20 **EMPLOYED, OR HAVE BEEN EMPLOYED IN ANY CAPACITY WITHIN THE**
21 **2-YEAR PERIOD IMMEDIATELY PRECEDING THE MEMBER'S APPOINTMENT, BY:**

- 22 (I) **A PHARMACEUTICAL COMPANY;**
- 23 (II) **A MEDICAL EQUIPMENT COMPANY; OR**
- 24 (III) **A FOR PROFIT INSURANCE COMPANY.**

1 **(2) A MEMBER OF THE ADMINISTRATIVE BOARD MAY NOT**
2 **ACCEPT EMPLOYMENT WITH A COMPANY LISTED IN PARAGRAPH (1) OF THIS**
3 **SUBSECTION FOR 2 YEARS AFTER THE END OF THE MEMBER'S TERM.**

4 **(C) (1) THE TERM OF A MEMBER IS 5 YEARS.**

5 **(2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**
6 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

7 **(3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
8 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**
9 **APPOINTED AND QUALIFIES.**

10 **(4) (I) WITHIN 30 DAYS AFTER A VACANCY OCCURS, THE**
11 **GOVERNOR SHALL APPOINT A SUCCESSOR WHO SHALL SERVE UNTIL THE TERM**
12 **EXPIRES.**

13 **(II) A MEMBER APPOINTED UNDER SUBPARAGRAPH (I) OF**
14 **THIS PARAGRAPH MAY BE REAPPOINTED FOR A FULL TERM.**

15 **(5) A MEMBER MAY NOT SERVE FOR MORE THAN TWO TERMS.**

16 **(D) FROM AMONG ITS MEMBERS, THE ADMINISTRATIVE BOARD SHALL**
17 **ELECT A CHAIR AND VICE CHAIR.**

18 **25-403.**

19 **THE ADMINISTRATIVE BOARD SHALL:**

20 **(1) PLAN FOR AND OVERSEE THE TRANSITION TO THE HEALTH**
21 **SYSTEM;**

22 **(2) IMPLEMENT A PLAN TO DECREASE ADMINISTRATIVE COSTS**
23 **OF THE HEALTH SYSTEM TO:**

24 **(I) 10% OR LESS OF THE TOTAL HEALTH CARE**
25 **EXPENDITURES OF THE HEALTH SYSTEM WITHIN THE FIRST 5 YEARS OF**
26 **OPERATION; AND**

27 **(II) 5% OR LESS OF THE TOTAL HEALTH CARE**
28 **EXPENDITURES OF THE HEALTH SYSTEM WITHIN THE FIRST 10 YEARS OF**
29 **OPERATION;**

1 **(3) PROVIDE AN APPROPRIATE LEVEL OF SUPPORT DURING THE**
2 **TRANSITION FOR TRAINING AND JOB PLACEMENT FOR INDIVIDUALS WHO ARE**
3 **DISPLACED FROM EMPLOYMENT AS A RESULT OF THE IMPLEMENTATION OF THE**
4 **HEALTH SYSTEM;**

5 **(4) ADMINISTER:**

6 **(I) PAYMENTS FOR THE PROVISION OF COVERED HEALTH**
7 **CARE SERVICES; AND**

8 **(II) A STATEWIDE SYSTEM OF SECURE ELECTRONIC**
9 **MEDICAL RECORDS THAT COMPLIES WITH STATE AND FEDERAL PRIVACY LAWS;**

10 **(5) INVESTIGATE THE COSTS, BENEFITS, AND MEANS OF**
11 **SUPPORTING HEALTH CARE PROVIDERS IN OBTAINING ELECTRONIC SYSTEMS**
12 **FOR CLAIM AND PAYMENT TRANSACTIONS;**

13 **(6) STUDY AND EVALUATE THE OPERATION OF THE HEALTH**
14 **SYSTEM; AND**

15 **(7) TRAIN HEALTH CARE PROVIDERS AND NECESSARY**
16 **PERSONNEL TO USE THE STATEWIDE SYSTEM OF SECURE ELECTRONIC MEDICAL**
17 **RECORDS.**

18 **SUBTITLE 5. MARYLAND HEALTH SYSTEM HEALTH NEEDS, PLANNING, AND**
19 **IMPROVEMENT BOARD.**

20 **25-501.**

21 **THERE IS A MARYLAND HEALTH SYSTEM HEALTH NEEDS, PLANNING,**
22 **AND IMPROVEMENT BOARD.**

23 **25-502.**

24 **(A) THE HEALTH NEEDS, PLANNING, AND IMPROVEMENT BOARD**
25 **CONSISTS OF THE FOLLOWING MEMBERS:**

26 **(1) THE HEALTH OFFICER FOR EACH COUNTY, OR THE HEALTH**
27 **OFFICER'S DESIGNEE; AND**

28 **(2) OTHER MEMBERS AS APPOINTED BY THE SECRETARY.**

1 **(B) AT THE TIMES AND PLACES THAT IT DETERMINES, THE HEALTH**
2 **NEEDS, PLANNING, AND IMPROVEMENT BOARD SHALL MEET AT LEAST TWICE A**
3 **YEAR.**

4 **(C) (1) A MEMBER OF THE HEALTH NEEDS, PLANNING, AND**
5 **IMPROVEMENT BOARD MAY NOT BE EMPLOYED, OR HAVE BEEN EMPLOYED IN**
6 **ANY CAPACITY WITHIN THE 2-YEAR PERIOD IMMEDIATELY PRECEDING THE**
7 **MEMBER'S APPOINTMENT, BY:**

8 **(I) A PHARMACEUTICAL COMPANY;**

9 **(II) A MEDICAL EQUIPMENT COMPANY; OR**

10 **(III) A FOR PROFIT INSURANCE COMPANY.**

11 **(2) A MEMBER OF THE HEALTH NEEDS, PLANNING, AND**
12 **IMPROVEMENT BOARD MAY NOT ACCEPT EMPLOYMENT WITH A COMPANY**
13 **LISTED IN PARAGRAPH (1) OF THIS SUBSECTION FOR 2 YEARS AFTER THE END**
14 **OF THE MEMBER'S TERM.**

15 **(D) (1) THE TERM OF A MEMBER IS 5 YEARS.**

16 **(2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**
17 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

18 **(3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
19 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**
20 **APPOINTED AND QUALIFIES.**

21 **(4) (I) WITHIN 10 DAYS AFTER A VACANCY OCCURS AMONG**
22 **THE MEMBERS APPOINTED BY THE SECRETARY, THE SECRETARY SHALL**
23 **APPOINT A SUCCESSOR WHO SHALL SERVE UNTIL THE TERM EXPIRES.**

24 **(II) A MEMBER APPOINTED UNDER SUBPARAGRAPH (I) OF**
25 **THIS PARAGRAPH MAY BE REAPPOINTED FOR A FULL TERM.**

26 **(5) A MEMBER MAY NOT SERVE FOR MORE THAN TWO TERMS.**

27 **(E) FROM AMONG ITS MEMBERS, THE HEALTH NEEDS, PLANNING, AND**
28 **IMPROVEMENT BOARD SHALL ELECT A CHAIR AND VICE CHAIR.**

29 **25-503.**

30 **THE HEALTH NEEDS, PLANNING, AND IMPROVEMENT BOARD SHALL:**

1 **(1) RECEIVE INPUT BY THE BOARDS ESTABLISHED UNDER THIS**
2 **TITLE AND ANY OTHER RELEVANT BOARD;**

3 **(2) RECOMMEND THE HEALTH CARE SERVICES THAT SHOULD BE**
4 **PROVIDED BY THE HEALTH SYSTEM;**

5 **(3) ESTABLISH A PROCEDURE TO REVIEW REQUESTS BY**
6 **MEMBERS AND HEALTH CARE PROVIDERS FOR CARE THAT IS NOT COVERED BY**
7 **THE HEALTH SYSTEM THAT ALLOWS ONLY HEALTH CARE PROVIDERS WITH**
8 **KNOWLEDGE IN THE SPECIFIC AREA OF CARE TO REVIEW A CASE AND MAKE**
9 **RECOMMENDATIONS;**

10 **(4) ON OR BEFORE OCTOBER 1, 2015, DEVELOP A PROPOSAL FOR**
11 **THE PROVISION AND FUNDING OF LONG-TERM CARE COVERAGE FOR THE**
12 **HEALTH SYSTEM;**

13 **(5) DEVELOP AN INTEGRATED, POPULATION-BASED HEALTH**
14 **DATABASE IN COORDINATION WITH HEALTH CARE PROVIDERS;**

15 **(6) IDENTIFY AND PRIORITIZE REGIONAL HEALTH CARE NEEDS**
16 **AND GOALS THAT MAY INCLUDE NEW CONSTRUCTION OR REHABILITATION OF**
17 **FACILITIES AND INCENTIVES TO HEALTH CARE PROVIDERS;**

18 **(7) DEVELOP A COMPREHENSIVE SYSTEM OF COMMUNITY**
19 **HEALTH CENTERS TO PROVIDE PRIMARY CARE AND COORDINATE MEDICAL**
20 **CARE WITH LOCAL TERTIARY CENTERS AND SPECIALISTS IN UNDERSERVED**
21 **AREAS;**

22 **(8) TRAIN HEALTH EDUCATION OUTREACH WORKERS TO**
23 **EDUCATE PATIENTS AND PROVIDE INFORMATION TO THE HEALTH SYSTEM**
24 **ABOUT HEALTH NEEDS THAT ARE NOT ADDRESSED BY THE HEALTH SYSTEM;**

25 **(9) COORDINATE THE RESOURCES OF EACH REGION OF THE**
26 **STATE TO MEET THE HEALTH NEEDS OF THE RESIDENTS OF THE REGION;**

27 **(10) PROVIDE MATERIALS AND DEVELOP PROGRAMS TO EDUCATE**
28 **THE PUBLIC ABOUT HEALTH MAINTENANCE AND PREVENTION OF DISEASE;**

29 **(11) PREPARE A YEARLY REGIONAL OPERATING AND CAPITAL**
30 **BUDGET REQUEST THAT MEETS THE HEALTH NEEDS OF EACH REGION IN THE**
31 **STATE FOR SUBMISSION TO THE POLICY BOARD;**

1 **(12) SUPPORT THE DEVELOPMENT AND IMPLEMENTATION OF**
2 **INNOVATIVE MEANS TO PROVIDE HIGH QUALITY HEALTH CARE SERVICES; AND**

3 **(13) APPROVE GRANTS TO INDIVIDUALS OR ORGANIZATIONS WITH**
4 **INNOVATIVE IDEAS TO IMPROVE THE HEALTH OF LOCAL COMMUNITIES.**

5 **SUBTITLE 6. MARYLAND HEALTH SYSTEM QUALITY BOARD.**

6 **25-601.**

7 **THERE IS A MARYLAND HEALTH SYSTEM QUALITY BOARD.**

8 **25-602.**

9 **(A) THE HEALTH QUALITY BOARD CONSISTS OF 15 MEMBERS**
10 **APPOINTED BY THE GOVERNOR.**

11 **(B) (1) A MEMBER OF THE HEALTH QUALITY BOARD MAY NOT BE**
12 **EMPLOYED, OR HAVE BEEN EMPLOYED IN ANY CAPACITY WITHIN THE 2-YEAR**
13 **PERIOD IMMEDIATELY PRECEDING THE MEMBER'S APPOINTMENT, BY:**

14 **(I) A PHARMACEUTICAL COMPANY;**

15 **(II) A MEDICAL EQUIPMENT COMPANY; OR**

16 **(III) A FOR PROFIT INSURANCE COMPANY.**

17 **(2) A MEMBER OF THE HEALTH QUALITY BOARD MAY NOT**
18 **ACCEPT EMPLOYMENT WITH A COMPANY LISTED IN PARAGRAPH (1) OF THIS**
19 **SUBSECTION FOR 2 YEARS AFTER THE END OF THE MEMBER'S TERM.**

20 **(C) (1) THE TERM OF A MEMBER IS 5 YEARS.**

21 **(2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**
22 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

23 **(3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
24 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**
25 **APPOINTED AND QUALIFIES.**

26 **(4) (I) WITHIN 10 DAYS AFTER A VACANCY OCCURS, THE**
27 **GOVERNOR SHALL APPOINT A SUCCESSOR WHO SHALL SERVE UNTIL THE TERM**
28 **EXPIRES.**

1 **(II) A MEMBER APPOINTED UNDER SUBPARAGRAPH (I) OF**
2 **THIS PARAGRAPH MAY BE REAPPOINTED FOR A FULL TERM.**

3 **(5) A MEMBER MAY NOT SERVE FOR MORE THAN TWO TERMS.**

4 **(D) FROM AMONG ITS MEMBERS, THE HEALTH QUALITY BOARD SHALL**
5 **ELECT A CHAIR AND VICE CHAIR.**

6 **25-603.**

7 **THE HEALTH QUALITY BOARD SHALL:**

8 **(1) IDENTIFY AREAS OF MEDICAL PRACTICE WHERE STANDARDS**
9 **HAVE NOT BEEN ESTABLISHED AND SET PRIORITIES AND A TIME LINE FOR**
10 **DEVELOPING NEEDED STANDARDS;**

11 **(2) EVALUATE AVAILABLE MEDICAL DEVICES AND PROVIDE**
12 **RECOMMENDATIONS FOR USAGE;**

13 **(3) ORGANIZE RELEVANT CONTINUING MEDICAL EDUCATION**
14 **PROGRAMS AND ASSIST HEALTH CARE PROVIDERS IN IMPROVING THE QUALITY**
15 **OF HEALTH CARE SERVICES DELIVERY THROUGH THE USE OF APPROPRIATE**
16 **TOOLS; AND**

17 **(4) ESTABLISH:**

18 **(I) STANDARDS BASED ON CLINICAL EFFICACY TO GUIDE**
19 **THE DELIVERY OF HEALTH CARE SERVICES AND ENSURE A SMOOTH TRANSITION**
20 **TO CLINICAL DECISION MAKING UNDER STATEWIDE STANDARDS;**

21 **(II) A FORMULARY BASED ON CLINICAL EFFICACY FOR ALL**
22 **PRESCRIPTION DRUGS AND DURABLE AND NONDURABLE MEDICAL EQUIPMENT**
23 **FOR USE BY THE HEALTH SYSTEM;**

24 **(III) GUIDELINES FOR PRESCRIBING MEDICATIONS,**
25 **NUTRITIONAL SUPPLEMENTS, AND DURABLE MEDICAL EQUIPMENT THAT ARE**
26 **NOT INCLUDED IN THE HEALTH SYSTEM FORMULARIES;**

27 **(IV) PROGRAMS TO MONITOR AND DECREASE MEDICAL**
28 **ERRORS, INCLUDING THE CREATION OF A TOLL-FREE HOTLINE FOR REPORTING**
29 **MEDICAL ERRORS;**

1 (V) PROGRAMS TO COMMUNICATE QUICKLY AND
2 EFFICIENTLY WITH HEALTH CARE PROVIDERS TO PROVIDE INFORMATION
3 NECESSARY TO PREVENT MEDICAL ERRORS;

4 (VI) GUIDELINES FOR EFFECTIVE MEDICAL CARE
5 COORDINATION, PARTICULARLY FOR PATIENTS WITH CHRONIC AND SERIOUS
6 DISEASES AND CONDITIONS, TO ENHANCE TREATMENT AND AVOID DUPLICATIVE
7 CARE; AND

8 (VII) PROGRAMS TO REVIEW HEALTH CARE PROVIDERS TO
9 MONITOR ADHERENCE TO BEST PRACTICES OF CARE, IDENTIFY BARRIERS TO
10 ADHERENCE, AND IMPROVE ADHERENCE.

11 **SUBTITLE 7. MARYLAND HEALTH SYSTEM PATIENT ADVOCACY BOARD.**

12 **25-701.**

13 **THERE IS A MARYLAND HEALTH SYSTEM PATIENT ADVOCACY BOARD.**

14 **25-702.**

15 (A) THE PATIENT ADVOCACY BOARD CONSISTS OF 15 MEMBERS
16 APPOINTED BY THE GOVERNOR.

17 (B) (1) A MEMBER OF THE PATIENT ADVOCACY BOARD MAY NOT BE
18 EMPLOYED, OR HAVE BEEN EMPLOYED IN ANY CAPACITY WITHIN THE 2-YEAR
19 PERIOD IMMEDIATELY PRECEDING THE MEMBER'S APPOINTMENT, BY:

20 (I) A PHARMACEUTICAL COMPANY;

21 (II) A MEDICAL EQUIPMENT COMPANY; OR

22 (III) A FOR PROFIT INSURANCE COMPANY.

23 (2) A MEMBER OF THE PATIENT ADVOCACY BOARD MAY NOT
24 ACCEPT EMPLOYMENT WITH A COMPANY LISTED IN PARAGRAPH (1) OF THIS
25 SUBSECTION FOR 2 YEARS AFTER THE END OF THE MEMBER'S TERM.

26 (C) (1) THE TERM OF A MEMBER IS 5 YEARS.

27 (2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE
28 UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

1 **(3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
2 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**
3 **APPOINTED AND QUALIFIES.**

4 **(4) (I) WITHIN 10 DAYS AFTER A VACANCY OCCURS, THE**
5 **GOVERNOR SHALL APPOINT A SUCCESSOR WHO SHALL SERVE UNTIL THE TERM**
6 **EXPIRES.**

7 **(II) A MEMBER APPOINTED UNDER SUBPARAGRAPH (I) OF**
8 **THIS PARAGRAPH MAY BE REAPPOINTED FOR A FULL TERM.**

9 **(5) A MEMBER MAY NOT SERVE FOR MORE THAN TWO TERMS.**

10 **(D) FROM AMONG ITS MEMBERS, THE PATIENT ADVOCACY BOARD**
11 **SHALL ELECT A CHAIR AND VICE CHAIR.**

12 **25-703.**

13 **THE PATIENT ADVOCACY BOARD SHALL:**

14 **(1) ADVOCATE FOR AND EDUCATE RESIDENTS REGARDING THE**
15 **HEALTH SYSTEM;**

16 **(2) PREPARE MATERIALS ON MEMBER BENEFITS AND RIGHTS,**
17 **HOW TO ACCESS HEALTH CARE SERVICES, AND HOW TO FILE COMPLAINTS WITH**
18 **AND PROVIDE FEEDBACK TO THE HEALTH SYSTEM;**

19 **(3) ESTABLISH:**

20 **(I) A TOLL-FREE HOTLINE FOR QUESTIONS, COMPLAINTS,**
21 **AND FEEDBACK REGARDING THE HEALTH SYSTEM; AND**

22 **(II) AN INTERACTIVE WEBSITE FOR EASY ACCESS BY THE**
23 **PUBLIC TO INFORMATION ABOUT THE HEALTH SYSTEM;**

24 **(4) ESTABLISH AND MAINTAIN A GRIEVANCE SYSTEM THAT**
25 **PROVIDES REASONABLE PROCEDURES TO ENSURE ADEQUATE CONSIDERATION**
26 **AND RESOLUTION OF MEMBER GRIEVANCES;**

27 **(5) DEVELOP INFORMATIONAL MATERIALS IN MULTIPLE**
28 **LANGUAGES;**

29 **(6) FACILITATE THE DELIVERY BY HEALTH CARE PROVIDERS OF**
30 **CULTURALLY AND LINGUISTICALLY SENSITIVE AND APPROPRIATE CARE; AND**

- 1 **(7) CREATE A PUBLIC ADVISORY COMMITTEE THAT:**
- 2 **(I) HOLDS SIX MEETINGS EACH YEAR THAT ARE OPEN TO**
3 **THE PUBLIC;**
- 4 **(II) SERVES AS A LINK BETWEEN THE HEALTH SYSTEM AND**
5 **THE PUBLIC;**
- 6 **(III) HAS A DIVERSE MEMBERSHIP THAT IS APPOINTED BY**
7 **THE GOVERNOR;**
- 8 **(IV) REPORTS TO THE PUBLIC ON CHANGES TO THE HEALTH**
9 **SYSTEM;**
- 10 **(V) RECEIVES FEEDBACK FROM THE PUBLIC; AND**
- 11 **(VI) MAKES RECOMMENDATIONS FOR IMPROVEMENTS TO**
12 **THE HEALTH SYSTEM.**

13 **SUBTITLE 8. MARYLAND HEALTH SYSTEM TRUST FUND.**

14 **25-801.**

- 15 **(A) THERE IS A MARYLAND HEALTH SYSTEM TRUST FUND.**
- 16 **(B) (1) THE FUND CONSISTS OF:**
- 17 **(I) MONEY ATTRIBUTABLE TO STATE AND FEDERAL**
18 **FINANCIAL PARTICIPATION IN THE MARYLAND MEDICAL ASSISTANCE**
19 **PROGRAM, THE MARYLAND CHILDREN'S HEALTH PROGRAM, AND MEDICARE,**
20 **THAT IS TRANSFERRED TO THE FUND;**
- 21 **(II) MONEY FROM OTHER FEDERAL PROGRAMS THAT**
22 **PROVIDE FUNDS FOR THE PAYMENT OF HEALTH CARE SERVICES THAT ARE**
23 **PROVIDED UNDER THIS TITLE;**
- 24 **(III) STATE AND LOCAL FUNDS APPROPRIATED FOR HEALTH**
25 **CARE SERVICES AND BENEFITS THAT ARE PROVIDED UNDER THIS TITLE;**
- 26 **(IV) ANY OTHER MONEY FROM ANY OTHER SOURCE**
27 **ACCEPTED FOR THE BENEFIT OF THE FUND; AND**
- 28 **(V) INVESTMENT EARNINGS OF THE FUND.**

1 **(2) PAYMENTS TO THE FUND UNDER PARAGRAPH (1)(III) OF THIS**
2 **SUBSECTION SHALL EQUAL THE MONEY APPROPRIATED TO STATE AND LOCAL**
3 **GOVERNMENTS FOR THE PROVISION OF THOSE HEALTH CARE SERVICES AND**
4 **BENEFITS IN FISCAL YEAR 2011, INCREASED IN EACH FISCAL YEAR BY THE**
5 **AVERAGE ANNUAL PERCENTAGE GROWTH IN THE GROSS STATE PERSONAL**
6 **INCOME FOR THE 3 PRECEDING CALENDAR YEARS.**

7 **(c) (1) THE FUND MAY BE USED ONLY:**

8 **(i) TO PAY FOR THE PROVISION OF HEALTH CARE**
9 **SERVICES COVERED BY THE HEALTH SYSTEM; AND**

10 **(ii) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FOR**
11 **ANY PURPOSE APPROVED BY THE HEALTH POLICY BOARD.**

12 **(2) (i) THE FUND SHALL PROVIDE SUFFICIENT FUNDS FOR**
13 **HEALTH PROMOTION AND PRIMARY CARE PREVENTIVE PROGRAMS.**

14 **(ii) AT LEAST ONE-FOURTH OF 1% OF THE MONEY IN THE**
15 **FUND SHALL BE ALLOCATED TO EDUCATING AND TRAINING WORKERS IN THE**
16 **HEALTH CARE FIELD AND RETRAINING WORKERS WHO EXPERIENCE JOB LOSS**
17 **OR DISLOCATION DUE TO IMPLEMENTATION OF THE HEALTH SYSTEM.**

18 **(d) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
19 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

20 **(2) INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO**
21 **THE FUND.**

22 **(3) ANY UNSPENT MONEY IN THE FUND MAY NOT BE**
23 **TRANSFERRED OR REVERT TO THE GENERAL FUND OF THE STATE, BUT SHALL**
24 **REMAIN IN THE FUND TO BE USED FOR THE PURPOSES SPECIFIED IN THIS**
25 **TITLE.**

26 **(e) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**
27 **TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE**
28 **GOVERNMENT ARTICLE.**

29 **25-802.**

30 **(A) THERE IS A MARYLAND HEALTH SYSTEM FUND BOARD.**

1 **(B) THE FUND BOARD CONSISTS OF 15 MEMBERS APPOINTED BY THE**
2 **GOVERNOR.**

3 **(C) (1) A MEMBER OF THE FUND BOARD MAY NOT BE EMPLOYED, OR**
4 **HAVE BEEN EMPLOYED IN ANY CAPACITY WITHIN THE 2-YEAR PERIOD**
5 **IMMEDIATELY PRECEDING THE MEMBER'S APPOINTMENT, BY:**

6 **(I) A PHARMACEUTICAL COMPANY;**

7 **(II) A MEDICAL EQUIPMENT COMPANY; OR**

8 **(III) A FOR PROFIT INSURANCE COMPANY.**

9 **(2) A MEMBER OF THE FUND BOARD MAY NOT ACCEPT**
10 **EMPLOYMENT WITH A COMPANY LISTED IN PARAGRAPH (1) OF THIS**
11 **SUBSECTION FOR 2 YEARS AFTER THE END OF THE MEMBER'S TERM.**

12 **(D) (1) THE TERM OF A MEMBER IS 5 YEARS.**

13 **(2) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**
14 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

15 **(3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
16 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**
17 **APPOINTED AND QUALIFIES.**

18 **(4) (I) WITHIN 10 DAYS AFTER A VACANCY OCCURS, THE**
19 **GOVERNOR SHALL APPOINT A SUCCESSOR WHO SHALL SERVE UNTIL THE TERM**
20 **EXPIRES.**

21 **(II) A MEMBER APPOINTED UNDER SUBPARAGRAPH (I) OF**
22 **THIS PARAGRAPH MAY BE REAPPOINTED FOR A FULL TERM.**

23 **(5) A MEMBER MAY NOT SERVE FOR MORE THAN TWO TERMS.**

24 **(E) FROM AMONG ITS MEMBERS, THE FUND BOARD SHALL ELECT A**
25 **CHAIR AND VICE CHAIR.**

26 **25-803.**

27 **THE FUND BOARD SHALL:**

28 **(1) MANAGE THE FUND;**

1 **(2) ENSURE THAT THE FUND IS SUFFICIENT TO MEET THE NEEDS**
2 **OF THE RESIDENTS;**

3 **(3) ENSURE THAT THE FUND IS USED EXCLUSIVELY BY THE**
4 **HEALTH SYSTEM;**

5 **(4) ESTABLISH A SUFFICIENT RESERVE ACCOUNT AND REPORT**
6 **IMMEDIATELY TO THE HEALTH POLICY BOARD IF IT IS NOT SUFFICIENT;**

7 **(5) CONVENE IMMEDIATELY IF COST CONTROL MEASURES**
8 **BECOME NECESSARY TO MAKE RECOMMENDATIONS TO THE HEALTH POLICY**
9 **BOARD AND ANY OTHER RELEVANT BOARDS; AND**

10 **(6) RECOMMEND FUNDING SOURCES, WHICH MAY INCLUDE**
11 **PROGRESSIVE PAYROLL PREMIUMS.**

12 **SUBTITLE 9. MARYLAND HEALTH SYSTEM PAYMENT BOARD.**

13 **25-901.**

14 **THERE IS A MARYLAND HEALTH SYSTEM PAYMENT BOARD.**

15 **25-902.**

16 **(A) THE PAYMENT BOARD CONSISTS OF 15 MEMBERS APPOINTED BY**
17 **THE GOVERNOR.**

18 **(B) (1) A MEMBER OF THE PAYMENT BOARD MAY NOT BE EMPLOYED,**
19 **OR HAVE BEEN EMPLOYED IN ANY CAPACITY WITHIN THE 2-YEAR PERIOD**
20 **PRECEDING THE MEMBER'S APPOINTMENT, BY:**

21 **(I) A PHARMACEUTICAL COMPANY;**

22 **(II) A MEDICAL EQUIPMENT COMPANY; OR**

23 **(III) A FOR PROFIT INSURANCE COMPANY.**

24 **(2) A MEMBER OF THE PAYMENT BOARD MAY NOT ACCEPT**
25 **EMPLOYMENT WITH A COMPANY LISTED IN PARAGRAPH (1) OF THIS**
26 **SUBSECTION FOR 2 YEARS AFTER THE END OF THE MEMBER'S TERM.**

27 **(C) (1) THE TERM OF A MEMBER IS 5 YEARS.**

1 **(2) AT THE END OF A TERM, THE MEMBER CONTINUES TO SERVE**
2 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

3 **(3) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
4 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**
5 **APPOINTED AND QUALIFIES.**

6 **(4) (I) WITHIN 10 DAYS AFTER A VACANCY OCCURS, THE**
7 **GOVERNOR SHALL APPOINT A SUCCESSOR WHO SHALL SERVE UNTIL THE TERM**
8 **EXPIRES.**

9 **(II) A MEMBER APPOINTED UNDER SUBPARAGRAPH (I) OF**
10 **THIS PARAGRAPH MAY BE REAPPOINTED FOR A FULL TERM.**

11 **(5) A MEMBER MAY NOT SERVE FOR MORE THAN TWO TERMS.**

12 **(D) FROM AMONG ITS MEMBERS, THE PAYMENT BOARD SHALL ELECT A**
13 **CHAIR AND VICE CHAIR.**

14 **25-903.**

15 **THE PAYMENT BOARD SHALL:**

16 **(1) ESTABLISH PAYMENT RATES FOR HEALTH CARE PROVIDERS**
17 **AND FOR ALL HEALTH CARE SERVICES PROVIDED BY THE HEALTH SYSTEM;**

18 **(2) ADJUST HEALTH CARE PROVIDER PAYMENTS TO DECREASE**
19 **DISCREPANCIES BETWEEN PRIMARY CARE PROVIDERS AND OTHER MEDICAL**
20 **SPECIALISTS;**

21 **(3) USE THE PURCHASING POWER OF THE STATE TO NEGOTIATE**
22 **PRICE DISCOUNTS FOR PRESCRIPTION DRUGS AND DURABLE AND NONDURABLE**
23 **MEDICAL EQUIPMENT COVERED BY THE HEALTH SYSTEM;**

24 **(4) OVERSEE A PROGRAM TO PROVIDE STIPENDS, LOAN**
25 **FORGIVENESS, AND TUITION REIMBURSEMENT FOR THE EDUCATION OF HEALTH**
26 **CARE PROVIDERS TO ATTRACT PROFESSIONALS INTO NEEDED PRACTICE**
27 **FIELDS AND GEOGRAPHICAL AREAS; AND**

28 **(5) NEGOTIATE REIMBURSEMENT RATES WITH**
29 **REPRESENTATIVES FROM HEALTH CARE PROFESSIONAL ORGANIZATIONS IN**
30 **THE STATE.**

31 **SUBTITLE 10. OFFICE OF THE HEALTH INSPECTOR GENERAL.**

1 **25-1001.**

2 (A) **THERE IS AN OFFICE OF THE HEALTH INSPECTOR GENERAL IN THE**
3 **OFFICE OF THE ATTORNEY GENERAL.**

4 (B) **THE HEAD OF THE OFFICE OF THE HEALTH INSPECTOR GENERAL**
5 **IS THE HEALTH INSPECTOR GENERAL WHO SHALL BE APPOINTED BY THE**
6 **GOVERNOR.**

7 (C) **THE OFFICE OF THE HEALTH INSPECTOR GENERAL SHALL:**

8 (1) **REVIEW, AUDIT, AND INVESTIGATE THE FINANCIAL RECORDS**
9 **OF INDIVIDUALS, AGENCIES, AND INSTITUTIONS REIMBURSED BY THE HEALTH**
10 **SYSTEM TO ENSURE THERE IS NO MISCONDUCT OR FRAUD; AND**

11 (2) **INVESTIGATE COMPLAINTS ABOUT THE HEALTH SYSTEM**
12 **WHEN APPROPRIATE.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial
14 appointed members of the Maryland Health System Policy Board of the Maryland
15 Health System shall expire as follows:

16 (1) Seven members in 2015;

17 (2) Seven members in 2016;

18 (3) Eight members in 2017; and

19 (4) Eight members in 2018.

20 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before October 1,
21 2011, the Department of Health and Mental Hygiene shall apply to the Secretary of
22 Health and Human Services for all waivers of requirements of health care programs
23 established under Titles XVIII and XIX of the Social Security Act, as amended, that
24 are necessary to enable the State to deposit federal payments under those programs in
25 the State Treasury to the credit of the Maryland Health System established under
26 Section 1 of this Act.

27 SECTION 4. AND BE IT FURTHER ENACTED, That, on or before October 1,
28 2011, the Maryland Health System Policy Board of the Maryland Health System
29 established under Section 1 of this Act shall seek all waivers from the provisions of the
30 Employment Retirement Income Security Act, as amended, necessary to ensure total
31 participation of all residents of the State in the Health System.

1 SECTION 5. AND BE IT FURTHER ENACTED, That, on or before October 1,
2 2011, the Maryland Health Policy Board of the Maryland Health System established
3 under Section 1 of this Act shall report to the Governor and, in accordance with §
4 2–1246 of the State Government Article, the General Assembly on any changes to the
5 laws of the State and units of State government necessary to most effectively carry out
6 the provisions of this Act.

7 SECTION 6. AND BE IT FURTHER ENACTED, That negotiated health
8 insurance contributions made by employers on behalf of employees who are working in
9 the State temporarily but who reside outside the State may not be abridged by this
10 Act.

11 SECTION 7. AND BE IT FURTHER ENACTED, That Title 25, Subtitle 2 of the
12 Health – General Article, as enacted by Section 1 of this Act, shall take effect July 1,
13 2012.

14 SECTION 8. AND BE IT FURTHER ENACTED, That, except as otherwise
15 provided in Section 7 of this Act, this Act shall take effect October 1, 2010.