

HOUSE BILL 1574

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CF 8lr3309

By: **Delegates Hill, Flanagan, and Lam**

Introduced and read first time: February 9, 2018

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program – Health Record and Payment**
3 **Clearinghouse Pilot Program**

4 FOR the purpose of establishing a Maryland Health Record and Payment Clearing House
5 Pilot Program; requiring the Maryland Department of Health on or before a certain
6 date to identify a certain group to which the Pilot Program shall apply; requiring the
7 Department on or before a certain date to collaborate with the Maryland Health Care
8 Commission to implement the Maryland Health Record and Payment Clearing
9 House Pilot Program; requiring the Commission to develop the Maryland Health
10 Record and Payment Clearing House Pilot Program with certain features on or
11 before a certain date; specifying the capabilities the health record and payment
12 clearinghouse must have; requiring the Commission to monitor the operation of the
13 Maryland Health Record and Payment Clearing House Pilot Program; requiring the
14 Commission to report on the status and implementation of the Maryland Health
15 Record and Payment Clearing House Pilot Program to the Senate Education, Health,
16 and Environmental Affairs Committee and the House Health and Government
17 Operations Committee on or before a certain date each year; requiring the
18 Commission, on or before a certain date, to research and evaluate existing public and
19 private health record and payment clearinghouses; requiring the Commission to
20 report on certain recommendations and requests for financing the establishment and
21 maintenance of the Maryland Health Record and Payment Clearing House Pilot
22 Program to the Governor and the General Assembly on or before a certain date;
23 defining a certain term; providing for the termination of this Act; and generally
24 relating to the Maryland Health Record and Payment Clearing House Pilot Program.

25 BY adding to

26 Article – Health – General

27 Section 19–150 and 19–151 to be under the new part “Part VI. Health Record and
28 Payment Clearinghouse Pilot Program”

29 Annotated Code of Maryland

30 (2015 Replacement Volume and 2017 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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, despite near universal coverage; 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 between 3.1% and 31% of every dollar spent on health care; and

WHEREAS, Health care billing, reimbursement, and record sharing are largely unintegrated and contribute significantly to administrative costs; and

WHEREAS, Technologies are available and are already in place in other countries that could positively impact health care delivery and allow improved, secure interoperability and compatibility of systems for immediate online record keeping, billing, payment, and reporting; and

WHEREAS, A card with a credit card–like magnetic strip and added biometric and password protections can provide secure access to a patient’s health insurance and health history information by accessing secure servers over the Internet; and

WHEREAS, The implementation of such a system in the State, and ultimately in the entire United States, could reduce the cost of health care by up to 15% or more, with some estimated yearly savings for Maryland exceeding \$6.2 billion and for the United States exceeding \$350 billion per year; and

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

WHEREAS, A savings of 10% in the cost of health care could reduce the cost of many products by up to 1.8%; and

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

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

WHEREAS, Reductions in the cost of health care will improve access to health care;

1 and

2 WHEREAS, Patients can decide individually if they wish to allow their electronic
3 health records, without any personal identifying information, to be used for health care
4 research in order to help others; and

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

7 WHEREAS, State government will benefit from reducing the cost of health care for
8 its employees and reduced cost of goods produced in Maryland; and

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

11 WHEREAS, Government is uniquely positioned to set the standards for an electronic
12 payment and health care records system and lead the way for participation by private
13 industry; and

14 WHEREAS, The Maryland Health Care Commission is an independent regulatory
15 agency whose mission is to plan for health system needs, promote informed decision
16 making, increase accountability, and improve access in a rapidly changing health care
17 environment by providing timely and accurate information on availability, cost, and quality
18 of services to policy makers, purchasers, providers, and the public; and

19 WHEREAS, Part of the Commission's vision for Maryland is to ensure that informed
20 consumers have access to affordable and appropriate health care services through
21 programs that serve as models for the nation; and

22 WHEREAS, In 2012, the Maryland Medical Assistance Program served over 88,000
23 recipients eligible for full Medicaid and Medicare benefits; and

24 WHEREAS, Through a grant from the Center for Medicare and Medicaid Innovation
25 for Round Two of the State Innovation Model, Maryland is developing a strategy to
26 integrate health care delivery for individuals who are dually eligible for both the Medicaid
27 and Medicare health care programs; and

28 WHEREAS, The Maryland Children's Health Program gives full health benefits for
29 children under the age of 19 years, and enrollees obtain care from a variety of Managed
30 Care Organizations through the Maryland HealthChoice Program; and

31 WHEREAS, The Maryland Medical Assistance Program is administered by
32 Maryland for Marylanders and through Maryland-based health care providers and
33 facilities; and

34 WHEREAS, The Maryland Medicaid Advisory Committee improves and maintains
35 the quality of the Maryland HealthChoice Program by assisting the Maryland Department

1 of Health with the implementation, operation, and evaluation of the Maryland Medical
2 Assistance Program; and

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

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

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

11 **Article – Health – General**

12 **PART VI. HEALTH RECORD AND PAYMENT CLEARINGHOUSE PILOT PROGRAM.**

13 **19–150.**

14 IN THIS PART, “HEALTH RECORD AND PAYMENT CLEARINGHOUSE” MEANS
15 THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE ESTABLISHED UNDER §
16 19–151(C) OF THIS SUBTITLE.

17 **19–151.**

18 (A) THERE IS A MARYLAND HEALTH RECORD AND PAYMENT CLEARING
19 HOUSE PILOT PROGRAM.

20 (B) THE DEPARTMENT SHALL:

21 (1) ON OR BEFORE DECEMBER 31, 2018, IDENTIFY A PROGRAM,
22 GROUP, OR PATIENT POPULATION WITHIN THE MARYLAND MEDICAL ASSISTANCE
23 PROGRAM TO WHICH THE HEALTH RECORD AND PAYMENT CLEARING HOUSE
24 PILOT PROGRAM DEVELOPED UNDER SUBSECTION (C) OF THIS SECTION WILL
25 APPLY; AND

26 (2) ON OR BEFORE JULY 1, 2020, COLLABORATE WITH THE
27 COMMISSION TO IMPLEMENT THE HEALTH RECORD AND PAYMENT CLEARING
28 HOUSE PILOT PROGRAM DEVELOPED UNDER SUBSECTION (C) OF THIS SECTION.

29 (C) ON OR BEFORE JULY 1, 2019, THE COMMISSION SHALL DEVELOP THE
30 HEALTH RECORD AND PAYMENT CLEARING HOUSE PILOT PROGRAM WITHIN THE
31 DEPARTMENT FOR THE GROUP THAT THE DEPARTMENT IDENTIFIES UNDER
32 SUBSECTION (B)(1) OF THIS SECTION THAT:

1 **(1) BUILDS ON THE WORK OF THE CHESAPEAKE REGIONAL**
2 **INFORMATION SYSTEM FOR OUR PATIENTS;**

3 **(2) ALLOWS AUTHORIZED USERS TO ACCESS AND ENTER PATIENT**
4 **MEDICAL RECORDS REMOTELY AT THE POINT OF SERVICE;**

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

7 **(4) INTERACTS WITH THE PRESCRIPTION DRUG MONITORING**
8 **PROGRAM SO THAT PRESCRIPTION DRUG DATA CAN BE ENTERED AND RETRIEVED**
9 **THROUGH THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE;**

10 **(5) MEETS FEDERAL AND STATE REQUIREMENTS REGARDING THE**
11 **CONFIDENTIALITY OF MEDICAL RECORDS;**

12 **(6) IS AVAILABLE SECURELY ONLINE;**

13 **(7) INCLUDES STANDARDS FOR:**

14 **(I) THE COLLECTION, STORAGE, AND SHARING OF HEALTH**
15 **CARE RECORDS; AND**

16 **(II) HEALTH CARE REIMBURSEMENT REQUESTS FOR SERVICES**
17 **DELIVERED UNDER THE PILOT PROGRAM TO BE FILED AND REMITTED THROUGH**
18 **THE CLEARING HOUSE; AND**

19 **(8) INCLUDES REQUIREMENTS FOR MAINTAINING DATA ABOUT EACH**
20 **PATIENT THAT THE COMMISSION DETERMINES IS NECESSARY, WHICH MAY INCLUDE**
21 **INFORMATION ON THE PATIENT'S:**

22 **(I) DEMOGRAPHICS;**

23 **(II) INSURANCE COVERAGE;**

24 **(III) DIAGNOSES;**

25 **(IV) MEDICATIONS;**

26 **(V) ALLERGIES;**

27 **(VI) ADVERSE REACTIONS;**

- 1 **(VII) HOSPITALIZATIONS;**
2 **(VIII) TREATMENTS;**
3 **(IX) HEALTH CARE PROVIDERS;**
4 **(X) VACCINATIONS; AND**
5 **(XI) LABORATORY TESTS AND RESULTS.**

6 **(D) THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE DEVELOPED AS**
7 **PART OF THE HEALTH RECORD AND PAYMENT CLEARING HOUSE PILOT PROGRAM**
8 **SHALL:**

- 9 **(1) CREATE AND MAINTAIN ACCESS SECURITY LOGS;**
10 **(2) INCLUDE SECURITY AND BACKUP SAFEGUARDS;**
11 **(3) INDICATE WHEN A PORTION OF A HEALTH RECORD MAINTAINED**
12 **ELSEWHERE IS OFFLINE AND PROVIDE MINIMAL DATA, AS DETERMINED BY THE**
13 **COMMISSION, REGARDING THE RECORD;**
14 **(4) INCLUDE A FREE AND SECURE WEB-BASED PORTAL THAT**
15 **PROVIDERS CAN USE WITHOUT REGARD TO THE METHOD OF PAYMENT BEING USED**
16 **FOR A HEALTH CARE SERVICE TO:**
17 **(I) CREATE, MAINTAIN, AND PROVIDE ACCESS BY AUTHORIZED**
18 **INDIVIDUALS TO HEALTH RECORDS; AND**
19 **(II) FILE FOR PAYMENT FOR HEALTH CARE SERVICES**
20 **PROVIDED;**
21 **(5) PROVIDE FOR THE DETERMINATION AND COLLECTION OF ALL**
22 **BENEFITS, COPAYS, AND DEDUCTIBLES AT THE POINT OF SERVICE WITH:**
23 **(I) CLAIM ADJUDICATION WITHIN 24 HOURS; OR**
24 **(II) NOTIFICATION WITHIN 48 HOURS THAT ADDITIONAL**
25 **INFORMATION IS NEEDED TO PROCESS THE CLAIM AND OF THE TYPE OF**
26 **INFORMATION THAT IS NEEDED.**
27 **(6) PROVIDE FOR THE IMMEDIATE ANSWERING OF QUESTIONS**

1 REGARDING COVERED SERVICES AND BENEFITS AT THE POINT OF SERVICE;

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

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

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

13 (10) ALLOW FOR THE USE OF PROPRIETARY ELECTRONIC MEDICAL
14 RECORD CODING AND BILLING SOFTWARE THAT MAY ALREADY BE USED BY
15 PROVIDERS TO INTERACT WITH THE HEALTH RECORD AND PAYMENT
16 CLEARINGHOUSE TO PROVIDE AND OBTAIN ALL INFORMATION AND PAYMENTS
17 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 **(II) 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 MONITOR THE OPERATION OF THE MARYLAND**
13 **HEALTH RECORD AND PAYMENT CLEARING HOUSE PILOT PROGRAM.**

14 **(F) ON OR BEFORE DECEMBER 31, 2022, AND DECEMBER 31 EACH YEAR**
15 **THEREAFTER, THE COMMISSION SHALL SUBMIT A STATUS REPORT ON THE**
16 **IMPLEMENTATION OF THE MARYLAND HEALTH RECORD AND PAYMENT CLEARING**
17 **HOUSE PILOT PROGRAM TO THE SENATE EDUCATION, HEALTH, AND**
18 **ENVIRONMENTAL AFFAIRS COMMITTEE AND THE HOUSE HEALTH AND**
19 **GOVERNMENT OPERATIONS COMMITTEE IN ACCORDANCE WITH § 2-1246 OF THE**
20 **STATE GOVERNMENT ARTICLE.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That:

22 (a) On or before December 31, 2018, the Maryland Health Care Commission shall
23 research and evaluate existing public and private health record and payment
24 clearinghouses.

25 (b) On or before March 15, 2019, the Commission shall report to the Governor
26 and, in accordance with § 2-1246 of the State Government Article, the General Assembly
27 on:

28 (1) recommendations regarding financing the establishment and
29 maintenance of the Health Record and Payment Clearing House Pilot Program under §
30 19-151(c) of the Health – General Article, as enacted by Section 1 of this Act, beginning
31 with fiscal year 2020; and

32 (2) funding requests for the Health Record and Payment Clearing House
33 Pilot Program.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2018. Section 1 of this Act shall remain effective for a period of 6 years and, at the end of
3 June 30, 2024, Section 1 of this Act, with no further action required by the General
4 Assembly, shall be abrogated and of no further force and effect. Section 2 of this Act shall
5 remain effective for a period of 1 year and, at the end of July 1, 2019, Section 2 of this Act,
6 with no further action required by the General Assembly, shall be abrogated and of no
7 further force and effect.