

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1574 (Delegate Hill, *et al.*)
 Health and Government Operations

Maryland Medical Assistance Program - Health Record and Payment
 Clearinghouse Pilot Program

This bill requires the Maryland Health Care Commission (MHCC) to (1) research and evaluate existing health record and payment clearinghouses; (2) submit a report to the Governor and the General Assembly regarding financing and funding requests for a Health Record and Payment Clearinghouse Pilot Program for a specified Medicaid group; (3) develop, implement, and monitor the pilot program; and (4) submit specified status reports on the implementation of the pilot program. **The bill takes effect July 1, 2018, and terminates June 30, 2024.**

Fiscal Summary

State Effect: MHCC special fund expenditures increase by at least \$100,100 beginning in FY 2019, as discussed below. Future years reflect varied information technology (IT) expenditures and termination of the pilot program at the end of FY 2024. To the extent permitted under MHCC’s user fee cap, MHCC special fund revenues increase accordingly beginning in FY 2019. Any additional costs for Medicaid to participate are not reflected below.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SF Revenue	-	-	-	-	-
SF Expenditure	\$100,100	\$389,500	\$292,500	\$295,600	\$298,800
Net Effect	(\$100,100)	(\$389,500)	(\$292,500)	(\$295,600)	(\$298,800)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: By December 31, 2018, (1) the Maryland Department of Health (MDH) must identify a program, group, or patient population within Medicaid to which the pilot program will apply and (2) MHCC must research and evaluate existing health record and payment clearinghouses.

By March 15, 2019, MHCC must report to the Governor and the General Assembly on recommendations regarding financing and funding requests for the establishment and maintenance of the pilot program beginning with fiscal 2020.

By July 1, 2019, MHCC must develop the pilot program within MDH for the specified Medicaid group identified by MDH.

By July 1, 2020, MDH must collaborate with MHCC to implement the pilot program. MHCC must monitor the operation of the pilot program.

By December 31, 2022, and December 31, 2023, MHCC must submit a status report on the implementation of the pilot program to specified committees of the General Assembly.

MHCC must develop a pilot program that (1) builds on the work of the Chesapeake Regional Information System for our Patients (CRISP); (2) allows authorized users to access and enter patient medical records remotely; (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; (5) meets federal and State requirements regarding the confidentiality of medical records; (6) is available securely online; (7) includes standards for the collection, storage, and sharing of health care records and specified health care reimbursement requests; and (8) includes requirements for maintaining specified data about each patient.

The health record and payment clearinghouse developed as part of the pilot program must:

- create and maintain access security logs;
- include security and backup safeguards;
- indicate when a portion of a health record maintained elsewhere is offline and provide minimal data regarding the record;
- include a free and secure web-based portal for specified purposes;
- provide for the determination and collection of all benefits, copays, and deductibles at the point of service with claim adjudication within specified timeframes;
- provide for the immediate answering of questions regarding covered services and benefits at the point of service;

- provide for the submission of an electronic record of health care services, supplies, and medications provided or prescribed in order for payment to be received;
- provide for the format and content of the minimum medical record data set required for payment through the health record and payment clearing house;
- include the ability to provide required data securely over the Internet without requiring providers or suppliers to pay for proprietary software;
- allow the use of specified proprietary software;
- ensure that each patient has a unique identifier assigned and maintained centrally by MDH;
- direct data requests to the correct server or record holder and allow for multiple servers or record holders to house some or all of the information for each patient;
- allow each patient to indicate if researchers may anonymously access the patient's health care records and to withdraw permission once given;
- allow for secure access through specific terminals by emergency room personnel under specified conditions;
- include the option after the first year of the pilot program to use specified health cards;
- allow for online and offline appeal of denied services, benefits, or payments;
- support a high volume of simultaneous users;
- be compatible with both the Windows and the Macintosh operating systems; and
- meet any other standards developed and required by MHCC.

Current Law/Background: MHCC designated CRISP as the statewide health information exchange (HIE) in 2009, and the infrastructure became operational in 2010. HIE allows clinical information to move electronically among disparate health information systems. CRISP offers tools aimed at improving the facilitation of care for the region's health care providers. The health record and payment clearinghouse proposed under the bill would include additional consumer-oriented functions.

According to MHCC, as of 2017, 36 clearinghouses in Maryland used similar technology standards, but they have been used by separate customer bases and have not interacted.

State Fiscal Effect: MHCC special fund expenditures increase by at least \$100,115 in fiscal 2019, which accounts for the bill's July 1, 2018 effective date. This estimate reflects the cost of hiring one full-time contractual program manager. In fiscal 2019, the program manager will research and evaluate existing public and private health record and payment clearing houses; assist MDH in identifying which program, group, or patient population within Medicaid to which the pilot program should apply; develop recommendations regarding financing the establishment and maintenance of the pilot program; prepare funding requests for the pilot program; and submit the required report to the Governor and

General Assembly. In fiscal 2020 through 2024, the program manager will develop and monitor the implementation of the pilot program, including procurement and oversight of software design and IT contracts and submission of required reports. The estimate includes a salary, fringe benefits, contractual IT services, one-time start-up costs, and ongoing operating expenses.

	<u>FY 2019</u>	<u>FY 2020</u>
Contractual Position	1	-
Salary and Fringe Benefits	\$94,015	\$88,239
Contractual Information Technology Services	-	300,000
One-time Start-up Costs	4,850	-
Ongoing Operating Expenses	<u>1,250</u>	<u>1,250</u>
Total State Expenditures	\$100,115	\$389,489

Future year expenditures reflect a full contractual salary with annual increases and employee turnover and ongoing operating expenses. Contractual IT services expenditures decline to \$200,000 annually beginning in fiscal 2021, and then to \$100,000 in fiscal 2024, the final year of the pilot program.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

As MHCC is special funded, MHCC special fund revenues increase correspondingly with expenditures.

Additional costs, if any, for Medicaid to participate in the pilot program are not reflected in this analysis.

Additional Information

Prior Introductions: Similar legislation, HB 1516 of 2017, received a hearing in the House Health and Government Operations Committee and was later withdrawn. Its cross file, SB 750, received a hearing in the Senate Finance Committee.

Cross File: None.

Information Source(s): Maryland Department of Health; Department of Legislative Services

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Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510