

Bill No.: \_\_\_\_\_  
Requested: \_\_\_\_\_  
Committee: \_\_\_\_\_

Drafted by: Wezik  
Typed by: Elise  
Stored – 01/28/18  
Proofread by \_\_\_\_\_  
Checked by \_\_\_\_\_

By: **Delegate Hill**

A BILL ENTITLED

1 AN ACT concerning

2 **Health Record and Payment Integration Program**

3 FOR the purpose of requiring the Maryland Health Care Commission, on or before a certain  
4 date, to research and evaluate certain health record and payment integration  
5 programs, identify certain standards, determine certain information, and report  
6 certain recommendations and funding requests to the Governor and the General  
7 Assembly for a health record and payment integration program on or before a certain  
8 date; authorizing the Commission to make available certain administrative claim  
9 transactions data to the State-Designated Health Information Exchange; specifying  
10 the capabilities the health record and payment integration program must have;  
11 requiring the Commission to select persons, as appropriate, from certain groups to  
12 participate on an advisory committee to provide feedback regarding the health record  
13 and payment integration program; requiring the Commission to submit language  
14 that can be used by the General Assembly in future legislation on or before a certain  
15 date; and defining a certain term requirements of this Act.

16 BY adding to

17 Article – Health – General

18 Section 19–150 and 19–151 to be under the new part “Part VI. Health Record and  
19 Payment Integration Program” Annotated Code of Maryland (2015  
20 Replacement Volume and 2017 Supplement)

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

\* 1 r 3 1 4 6 \*

Preamble

1  
2 WHEREAS, Maryland has been a leader in health care financing, research, and  
3 treatment; and

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

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

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

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

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

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

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

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

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

26 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, The many benefits of modern electronic payment and health care  
8 records systems will improve the quality of life for Maryland residents; and

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

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

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

15 WHEREAS, Initial participation by health care providers can be voluntary; and

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

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

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

24 **Article – Health – General**

25 **PART VI. HEALTH RECORD AND PAYMENT INTEGRATION PROGRAM.**

1 19–150.

2 IN THIS PART, “HEALTH RECORD AND PAYMENT INTEGRATION PROGRAM” MEANS  
3 THE HEALTH RECORD AND PAYMENT INTEGRATION PROGRAM ESTABLISHED UNDER § 19–  
4 151(B) OF THIS SUBTITLE.

5 19–151.

6 (A) THE COMMISSION SHALL ESTABLISH A HEALTH RECORD AND PAYMENT  
7 INTEGRATION PROGRAM ADVISORY COMMITTEE.

8  
9 (B) THE HEALTH RECORD AND PAYMENT INTEGRATION PROGRAM ADVISORY  
10 COMMITTEE SHALL STUDY:

11 (1) THE FEASIBILITY OF INCORPORATING ADMINISTRATIVE HEALTH CARE  
12 CLAIM TRANSACTIONS INTO THE STATE-DESIGNATED HEALTH INFORMATION EXCHANGE  
13 FOR THE PURPOSE OF IMPROVING CARE COORDINATION AND ENCOUNTER NOTIFICATION;

14 (2) APPROACHES FOR ACCELERATING THE ADJUDICATION OF CLEAN  
15 CLAIMS; AND

16 (3) THE FEASIBILITY OF INCLUSION OF A FREE AND SECURE WEB-BASED  
17 PORTAL THAT PROVIDERS CAN USE WITHOUT REGARD TO THE METHOD OF PAYMENT BEING  
18 USED FOR A HEALTH CARE SERVICE TO:

19 (i) CREATE AND MAINTAIN HEALTH RECORDS; AND

20 (ii) FILE FOR PAYMENT FOR HEALTH CARE SERVICES PROVIDED; AND

21 (4) THE FEASIBILITY OF INCORPORATING PRESCRIPTION DRUG MONITORING  
22 PROGRAM DATA SO THAT PRESCRIPTION DRUG DATA CAN BE ENTERED AND RETRIEVED  
23 THROUGH THE HEALTH RECORD AND PAYMENT CLEARINGHOUSE;

24  
25 (5

26 (4) ANY OTHER AREA OF STUDY THAT THE COMMISSION SHALL DEEM  
27 APPROPRIATE TO FURTHER HEALTH AND PAYMENT RECORD INTEGRATION.

28  
29 (D) THE COMMISSION SHALL SELECT PERSONS, AS APPROPRIATE, FROM THE  
30 FOLLOWING GROUPS TO PARTICIPATE ON THE ADVISORY COMMITTEE AND PROVIDE  
31 FEEDBACK REGARDING THE HEALTH RECORD AND PAYMENT INTEGRATION PROGRAM:

1           **(1) MANAGED CARE ORGANIZATIONS AS DEFINED IN § 15–101 OF THIS**  
2 **ARTICLE;**

3           **(2) INDIVIDUALS LICENSED, CERTIFIED, OR REGISTERED UNDER THE**  
4 **HEALTH OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE;**

5           **(3) FACILITIES THAT PROVIDE HEALTH CARE TO INDIVIDUALS; AND**

6           **(4) PERSONS THAT PROVIDE HEALTH CARE SUPPLIES OR MEDICATIONS.**

7  
8 **§19–134.**

9           (a) (1) In order to more efficiently establish a medical care data base under § 19-133  
10 of this subtitle, the Commission shall establish standards for the operation of one or more  
11 medical care electronic claims clearinghouses in Maryland and may license those  
12 clearinghouses meeting those standards.

13           (2) In adopting regulations under this subsection, the Commission shall consider  
14 appropriate national standards.

15           (3) The Commission may limit the number of licensed claims clearinghouses to  
16 assure maximum efficiency and cost effectiveness.

17           (4) The Commission, by regulation, may charge a reasonable licensing fee to operate  
18 a licensed claims clearinghouse.

19           (5) Health care practitioners in Maryland, as designated by the Commission, shall  
20 submit, and payors of health care services in Maryland as designated by the Commission  
21 shall receive claims for payment and any other information reasonably related to the  
22 medical care data base electronically in a standard format as required by the Commission  
23 whether by means of a claims clearinghouse or other method approved by the Commission.

24           (6) The Commission shall establish reasonable deadlines for the phasing in of  
25 electronic transmittal of claims from those health care practitioners designated under  
26 paragraph (5) of this subsection.

27           (7) As designated by the Commission, payors of health care services in Maryland and  
28 Medicaid and Medicare shall transmit explanations of benefits and any other information  
29 reasonably related to the medical care data base electronically in a standard format as  
30 required by the Commission whether by means of a claims clearinghouse or other method  
31 approved by the Commission.

32  
33           (b) The Commission may collect the medical care claims information submitted to  
34 any licensed claims clearinghouse:

1           **(1) FOR INCLUSION IN THE MARYLAND MEDICAL CARE** data base established under  
2 § 19-133 of this subtitle; **OR**

3           **(2) FOR USE BY THE COMMISSION’S HEALTH RECORD AND PAYMENT INTEGRATION**  
4 **PROGRAM ADVISORY COMMITTEE, AS PROVIDED FOR UNDER § 19.151 OF THIS SUBTITLE.**  
5           **SECTION 2. AND BE IT FURTHER ENACTED, That:**

6  
7           (a)     The Maryland Health Care Commission shall study the feasibility of a Health  
8 Record and Payment Integration Program.

9  
10          (b)     On or before December 31, 2018, the Commission shall report to the Governor  
11 and, in accordance with § 2–1246 of the State Government Article, the General Assembly  
12 on:

13  
14                 (1)     Recommendations regarding statutory language for consideration by  
15 the General Assembly in the establishment and maintenance of the Health Record and  
16 Payment Integration Program under §19–151; and

17  
18                 (2)     Funding required to support the Health Record and Payment  
19 Integration Program.

20  
21           **SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July**  
22 **1, 2018.**