

HOUSE BILL 1516

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CF SB 750

By: **Delegates Hill, Brooks, Flanagan, Hettleman, Jalisi, Lafferty, Lam, McMillan,
Morhaim, Oaks, Rosenberg, and Stein**

Introduced and read first time: February 10, 2017

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Public Health – Health Record and Payment Clearing House – Pilot 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 clearing houses,
5 develop certain standards, determine certain information, and report certain
6 recommendations and funding requests to the General Assembly; requiring, subject
7 to the limitations of the State budget, the Commission to establish and implement
8 for use in a pilot program a certain health record and payment clearing house on or
9 before a certain date; authorizing the Commission to contract with an outside entity
10 or the Chesapeake Regional Information System to establish and maintain the
11 health record and payment clearing house; specifying the capabilities the health
12 record and payment clearing house must have; requiring the Commission to select
13 persons, as appropriate, from certain groups to use and provide feedback regarding
14 the health record and payment clearing house as part of the pilot program; requiring
15 the Commission to submit certain status reports to certain committees of the General
16 Assembly on or before certain dates; defining a certain term; providing for the
17 termination of this Act; and generally relating to the health record and payment
18 clearing house pilot program.

19 BY adding to

20 Article – Health – General

21 Section 19–150 and 19–151 to be under the new part “Part VI. Health Record and
22 Payment Clearing House Pilot Program”

23 Annotated Code of Maryland

24 (2015 Replacement Volume and 2016 Supplement)

25 Preamble

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 **Article – Health – General**

21 **PART VI. HEALTH RECORD AND PAYMENT CLEARING HOUSE PILOT PROGRAM.**

22 **19–150.**

23 IN THIS SUBTITLE, “HEALTH RECORD AND PAYMENT CLEARING HOUSE”
24 MEANS THE HEALTH RECORD AND PAYMENT CLEARING HOUSE ESTABLISHED
25 UNDER § 19–151(B) OF THIS PART.

26 **19–151.**

27 (A) ON OR BEFORE DECEMBER 31, 2017, THE COMMISSION SHALL:

28 (1) RESEARCH AND EVALUATE EXISTING PUBLIC AND PRIVATE
29 HEALTH RECORD AND PAYMENT CLEARING HOUSES;

1 **(2) DEVELOP STANDARDS THAT HEALTH CARE RECORDS AND**
2 **REQUESTS FOR HEALTH CARE PAYMENTS MUST MEET IN ORDER TO BE ACCESSED**
3 **OR FILED AND MADE THROUGH THE HEALTH CARE RECORD AND PAYMENT**
4 **CLEARING HOUSE;**

5 **(3) DETERMINE WHETHER THE HEALTH RECORD AND PAYMENT**
6 **CLEARING HOUSE SHOULD MAINTAIN A MINIMAL SUMMARY DATA SET ON EACH**
7 **PATIENT THAT INCLUDES DEMOGRAPHICS, INSURANCE COVERAGE, DIAGNOSES,**
8 **MEDICATIONS, ALLERGIES, TREATMENTS, AND PROVIDERS; AND**

9 **(4) REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246**
10 **OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY**
11 **RECOMMENDATIONS REGARDING AND FUNDING REQUESTS FOR A HEALTH RECORD**
12 **AND PAYMENT CLEARING HOUSE PILOT PROGRAM.**

13 **(B) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, ON OR BEFORE**
14 **JANUARY 1, 2019, THE COMMISSION SHALL ESTABLISH AND IMPLEMENT FOR USE**
15 **IN A PILOT PROGRAM A HEALTH RECORD AND PAYMENT CLEARING HOUSE THAT:**

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

18 **(2) ALLOWS AUTHORIZED USERS TO ACCESS AND ENTER PATIENT**
19 **MEDICAL RECORDS REMOTELY;**

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

22 **(4) INTERACTS WITH THE PRESCRIPTION DRUG MONITORING**
23 **PROGRAM SO THAT PRESCRIPTION DRUG DATA CAN BE RETRIEVED AND ENTERED**
24 **THROUGH THE HEALTH RECORD AND PAYMENT CLEARING HOUSE;**

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

27 **(6) IS AVAILABLE SECURELY ONLINE.**

28 **(C) THE COMMISSION MAY CONTRACT WITH AN OUTSIDE ENTITY OR THE**
29 **CHESAPEAKE REGIONAL INFORMATION SYSTEM TO ESTABLISH AND MAINTAIN THE**
30 **HEALTH RECORD AND PAYMENT CLEARING HOUSE.**

31 **(D) THE HEALTH RECORD AND PAYMENT CLEARING HOUSE SHALL:**

1 **(1) CREATE AND MAINTAIN ACCESS SECURITY LOGS;**

2 **(2) INCLUDE SECURITY AND BACKUP SAFEGUARDS;**

3 **(3) INDICATE WHEN A PORTION OF A HEALTH RECORD MAINTAINED**
4 **ELSEWHERE IS OFFLINE AND PROVIDE MINIMAL DATA REGARDING THE RECORD;**

5 **(4) INCLUDE A FREE AND SECURE WEB-BASED PORTAL THAT**
6 **PROVIDERS CAN USE WITHOUT REGARD TO THE METHOD OF PAYMENT BEING USED**
7 **FOR A HEALTH CARE SERVICE TO:**

8 **(I) CREATE AND MAINTAIN HEALTH RECORDS; AND**

9 **(II) FILE FOR PAYMENT FOR HEALTH CARE SERVICES**
10 **PROVIDED;**

11 **(5) PROVIDE FOR THE DETERMINATION AND COLLECTION OF ALL**
12 **BENEFITS, COPAYS, AND DEDUCTIBLES AT THE POINT OF SERVICE WITH IMMEDIATE**
13 **CLAIM ADJUDICATION;**

14 **(6) PROVIDE FOR THE IMMEDIATE ANSWERING OF QUESTIONS**
15 **REGARDING COVERED SERVICES AND BENEFITS AT THE POINT OF SERVICE;**

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

19 **(8) PROVIDE FOR THE FORMAT AND CONTENT OF THE MINIMUM**
20 **MEDICAL RECORD DATA SET REQUIRED FOR PAYMENT THROUGH THE HEALTH**
21 **RECORD AND PAYMENT CLEARING HOUSE;**

22 **(9) INCLUDE THE ABILITY TO PROVIDE REQUIRED DATA SECURELY**
23 **OVER THE INTERNET WITHOUT REQUIRING PROVIDERS OR SUPPLIERS TO PAY FOR**
24 **PROPRIETARY SOFTWARE;**

25 **(10) ALLOW THE USE OF PROPRIETARY SOFTWARE THAT CAN OFFER**
26 **EXPANDED FUNCTIONALITY FOR PROVIDERS TO INTERACT WITH THE HEALTH**
27 **RECORD AND PAYMENT CLEARING HOUSE TO OBTAIN ALL INFORMATION AND**
28 **PAYMENTS NEEDED FOR HEALTH CARE SERVICES;**

29 **(11) ENSURE THAT EACH PATIENT HAS A UNIQUE IDENTIFIER**
30 **ASSIGNED AND MAINTAINED CENTRALLY BY THE DEPARTMENT;**

1 **(12) DIRECT DATA REQUESTS TO THE CORRECT SERVER OR RECORD**
2 **HOLDER AND ALLOW FOR MULTIPLE SERVERS OR RECORD HOLDERS TO HOUSE**
3 **SOME OR ALL OF THE INFORMATION FOR EACH PATIENT;**

4 **(13) ALLOW EACH PATIENT TO INDICATE WHETHER OR NOT THE**
5 **PATIENT WANTS TO ALLOW RESEARCHERS TO ANONYMOUSLY ACCESS THE**
6 **PATIENT'S HEALTH CARE RECORDS AND TO WITHDRAW PERMISSION ONCE GIVEN;**

7 **(14) ALLOW FOR SECURE ACCESS THROUGH SPECIFIC TERMINALS BY**
8 **EMERGENCY ROOM PERSONNEL WHEN A PATIENT IS UNABLE TO PROVIDE**
9 **INFORMATION THAT WOULD BE REQUIRED TO ACCESS THE PATIENT'S INFORMATION**
10 **THROUGH THE HEALTH RECORD AND PAYMENT CLEARING HOUSE;**

11 **(15) INCLUDE THE OPTION TO USE HEALTH CARDS THAT:**

12 **(i) INCLUDE CREDIT CARDS, DEBIT CARDS, AND HEALTH**
13 **SAVINGS CARDS; AND**

14 **(ii) PROVIDE INFORMATION, LINKAGES, AND PAYMENTS SO**
15 **THAT ONLY ONE CARD IS REQUIRED TO COMPLETE ALL ASPECTS OF A HEALTH CARE**
16 **PAYMENT;**

17 **(16) ALLOW FOR ONLINE AND OFFLINE APPEAL OF DENIED SERVICES,**
18 **BENEFITS, OR PAYMENTS;**

19 **(17) SUPPORT A HIGH VOLUME OF SIMULTANEOUS USERS, BASED ON**
20 **THE TOTAL NUMBER OF PROVIDERS IN THE STATE;**

21 **(18) BE COMPATIBLE WITH BOTH THE WINDOWS AND THE MACINTOSH**
22 **OPERATING SYSTEMS; AND**

23 **(19) MEET ANY OTHER STANDARDS DEVELOPED AND REQUIRED BY**
24 **THE COMMISSION.**

25 **(E) THE COMMISSION SHALL SELECT PERSONS, AS APPROPRIATE, FROM**
26 **THE FOLLOWING GROUPS TO USE AND PROVIDE FEEDBACK REGARDING THE**
27 **HEALTH RECORD AND PAYMENT CLEARING HOUSE AS PART OF THE PILOT**
28 **PROGRAM:**

29 **(1) HEALTH INSURERS;**

30 **(2) NONPROFIT HEALTH SERVICE PLANS;**

1 **(3) HEALTH MAINTENANCE ORGANIZATIONS;**

2 **(4) DENTAL PLAN ORGANIZATIONS; OR**

3 **(5) MANAGED CARE ORGANIZATIONS AS DEFINED IN § 15-101 OF**
4 **THIS ARTICLE;**

5 **(6) INDIVIDUALS LICENSED, CERTIFIED, OR REGISTERED UNDER THE**
6 **HEALTH OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE;**

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

8 **(8) PERSONS THAT PROVIDE HEALTH CARE SUPPLIES OR**
9 **MEDICATIONS.**

10 **(F) ON OR BEFORE DECEMBER 31, 2020, AND EACH YEAR THEREAFTER FOR**
11 **THE NEXT 4 YEARS, THE COMMISSION SHALL SUBMIT, IN ACCORDANCE WITH §**
12 **2-1246 OF THE STATE GOVERNMENT ARTICLE, A STATUS REPORT ON THE**
13 **IMPLEMENTATION OF THE PILOT PROGRAM TO THE SENATE EDUCATION, HEALTH,**
14 **AND ENVIRONMENTAL AFFAIRS COMMITTEE AND THE HOUSE HEALTH AND**
15 **GOVERNMENT OPERATIONS COMMITTEE.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2017. It shall remain effective for a period of 5 years and, at the end of June 30, 2022,
18 with no further action required by the General Assembly, this Act shall be abrogated and
19 of no further force and effect.