

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 1370.

The bill establishes an Advisory Committee on Health Maintenance Organization (HMO) Performance. The Committee is composed of 13 members, including representatives from the public, the health care industry, and relevant State agencies. The statutory purpose of the Committee is twofold: to promote the dissemination to consumers of information relating to HMO performance, and to receive and facilitate the investigation of complaints of health care providers concerning the operation of any HMO in the State.

With respect to the duties of the Commission relating to information dissemination, I agree with the supporters of the legislation that there should be a more centralized, coordinated effort to ensure consumers in this State receive all the information available on HMO performance. Currently, three different State agencies collect and keep information on HMOs: the Department of Health and Mental Hygiene (DHMH), the Health Care Access and Cost Commission (HCACC), and the Maryland Insurance Administration (MIA). The agency whose duties are most similar to those charged to the Committee is HCACC, which under law must conduct an annual evaluation of HMOs based on performance and outcomes, and publish the data in an annual "HMO report card." The law directing HCACC to publish a report card does not require the inclusion of other information which DHMH and MIA collect, such as the financial condition of the HMO, the degree to which the HMO provides benefits as compared to the amount of premiums it collects, and information on complaints by patients against HMOs. Consumers need and deserve a readily available and comprehensive source for all relevant information on HMO performance.

Although the creation of an Advisory Committee represents one possible approach to making the body of information relating to HMOs available and more "user friendly," one of the major goals of this Administration has been and will continue to be to lessen the size of State government, including the number of boards and commissions which presently exist. Before Maryland takes the step of creating a new bureaucracy in addition to the three agencies that currently oversee HMOs, I believe these three agencies should first undertake their own effort to perform administratively the functions of the Advisory Committee. Consequently, I will direct HCACC to include in its "report card" all the information which the Advisory Committee would have been charged with gathering. Furthermore, I will expect that HCACC will work with the public information officers at DHMH and MIA to ensure that the public is aware of and has easy access to the report card. I expect this effort to be successful, but if we find the public is still not served by the current regulatory structure, I will consider supporting legislation to establish an advisory committee in the future.

The work of the Advisory Committee is also likely to duplicate the functions of MIA as it relates to receiving and facilitating the investigation of complaints by health care providers. Under the Patient Access Act passed last year, an HMO is required to maintain a specified procedure for the selection and termination of providers on the HMO's panel of providers. Any complaints alleging a violation of this procedure fall under the jurisdiction of the Insurance Commissioner. Regulations outlining this procedure have been proposed by HCACC and are expected to take effect in June.

The bill empowers the Committee to also receive such complaints, and empowers the