

MedChi

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TO: The Honorable Thomas M. Middleton, Chair
Members, Senate Finance Committee
The Honorable Catherine E. Pugh

FROM: Danna L. Kauffman
J. Steven Wise
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DATE: March 24, 2016

RE: **SUPPORT** – Senate Bill 1153 – *Health Insurance – Clinically Integrated Organizations*

The Maryland State Medical Society (MedChi), which represents more than 7,600 Maryland physicians and their patients, supports Senate Bill 1153. Senate Bill 1153 modifies the current definition of “clinically integrated organization” by removing the requirement that a joint venture receive an advisory opinion from the Federal Trade Commission (FTC) and instead specifies that the joint venture must meet the criteria established in FTC advisory opinions.

A “clinically integrated organization” is either a joint venture between a hospital and physicians that: 1) has been established to evaluate and improve the practice patterns of the health care providers and create a high degree of cooperation, collaboration and mutual interdependence among the health care providers who participate in the joint venture in order to promote the efficient, medically appropriate delivery of covered medical services; or 2) is accountable for total spending and quality and the Maryland Insurance Commissioner determines meets the criteria established by the federal Department of Health and Human Services for an accountable care organization.

The creation of a “clinically integrated organization” is consistent with and furthers the goals of Maryland’s revised hospital waiver. The modification of the definition is necessary because, it is our understanding that, the FTC is not required to provide advisory opinions. Therefore, Maryland’s law has unintentionally created an unnecessary roadblock in the establishment of “clinically integrated organizations.” MedChi urges a favorable vote.

For more information call:

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