

# SENATE BILL 6

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By: **The President (By Request – Administration)**

Introduced and read first time: October 29, 2007

Assigned to: Finance and Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Working Families and Small Business Health Coverage Act**

3 FOR the purpose of establishing a Small Employer Health Insurance Premium  
4 Subsidy Program; establishing the purposes, administration, eligibility and  
5 other requirements, and funding for the Program; authorizing the Maryland  
6 Health Care Commission to alter certain subsidy amounts; requiring the total  
7 amount of certain subsidies to be subject to the limitations of the State budget;  
8 requiring the Commission to report to the Governor and the General Assembly  
9 on the implementation of the Program; requiring the Maryland Medical  
10 Assistance Program to provide, subject to certain conditions, certain health care  
11 services to certain parents with certain income and to certain adults with  
12 certain income; repealing certain provisions of law relating to the Primary Adult  
13 Care Program; establishing a Health Care Coverage Fund; establishing the  
14 sources and uses of the Fund; requiring the Treasurer to invest the money in  
15 the Fund in a certain manner; providing that any investment earnings of the  
16 Fund shall be retained to the credit of the Fund; requiring expenditures from  
17 the Fund to be made only in accordance with the State budget; providing that  
18 the Fund is subject to audit by the Office of Legislative Audits; authorizing the  
19 State Health Services Cost Review Commission to assess a certain amount in  
20 hospital rates; requiring the Commission to determine certain savings in a  
21 certain manner; requiring each hospital to remit a certain assessment to the  
22 Health Care Coverage Fund; requiring a licensed insurance producer to provide  
23 certain information to small employers; requiring the Maryland Health Care  
24 Commission, on or before a certain date, in consultation with the Department of  
25 Health and Mental Hygiene, to propose certain regulations; requiring the  
26 Commission to comply with certain provisions of law in carrying out its duties;  
27 providing the intent of the General Assembly regarding the level of certain  
28 benefits; providing the intent of the General Assembly regarding the phasing-in  
29 of certain health care services, to the extent that certain revenues as submitted  
30 with the Governor's proposed budget exceed certain amounts; requiring the  
31 Department of Health and Mental Hygiene to submit an amendment to a

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain waiver; requiring the Department of Health and Mental Hygiene to  
2 forward a copy of a certain notice to the Department of Legislative Services;  
3 requiring a certain individual to be automatically enrolled in a certain managed  
4 care organization, under certain circumstances; requiring certain individuals to  
5 be assigned to a certain managed care organization; authorizing certain funds  
6 to be appropriated and transferred by approved budget amendment; requiring  
7 the State Health Services Cost Review Commission and the Department of  
8 Health and Mental Hygiene to develop a mechanism to calculate the amount of  
9 certain hospital uncompensated care; providing for the termination of a certain  
10 hospital rate assessment under certain circumstances; requiring the State to  
11 ensure that a certain transfer of funds and a certain hospital rate assessment  
12 are consistent with the State's Medicare waiver and federal regulations;  
13 providing for the effective date of certain provisions of this Act; making certain  
14 provisions of this Act null and void, under certain circumstances; providing for  
15 the termination of certain provisions of this Act; defining certain terms; and  
16 generally relating to the Working Families and Small Business Health  
17 Coverage Act.

18 BY repealing and reenacting, without amendments,  
19 Article – Insurance  
20 Section 15–1201(a) and (d)  
21 Annotated Code of Maryland  
22 (2006 Replacement Volume and 2007 Supplement)

23 BY adding to  
24 Article – Insurance  
25 Section 15–1206(g); and 15–12A–01 through 15–12A–05 to be under the new  
26 subtitle “Subtitle 12A. Small Employer Health Insurance Premium  
27 Subsidy Program”  
28 Annotated Code of Maryland  
29 (2006 Replacement Volume and 2007 Supplement)

30 BY repealing and reenacting, with amendments,  
31 Article – Health – General  
32 Section 15–103(a) and 19–108  
33 Annotated Code of Maryland  
34 (2005 Replacement Volume and 2007 Supplement)

35 BY repealing  
36 Article – Health – General  
37 Section 15–103(b)(23)(vii) and 15–140  
38 Annotated Code of Maryland  
39 (2005 Replacement Volume and 2007 Supplement)

40 BY adding to  
41 Article – Health – General  
42 Section 15–701 to be under the new subtitle “Subtitle 7. Health Care Coverage  
43 Fund”; and 19–214(d)

1 Annotated Code of Maryland  
 2 (2005 Replacement Volume and 2007 Supplement)

3 BY repealing and reenacting, without amendments,  
 4 Article – Health – General  
 5 Section 19–101  
 6 Annotated Code of Maryland  
 7 (2005 Replacement Volume and 2007 Supplement)

8 BY repealing and reenacting, with amendments,  
 9 Article – Health – General  
 10 Section 19–108  
 11 Annotated Code of Maryland  
 12 (2005 Replacement Volume and 2007 Supplement)  
 13 (As enacted by Chapter 287 of the Acts of the General Assembly of 2004)

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

16 **Article – Insurance**

17 **SUBTITLE 12A. SMALL EMPLOYER HEALTH INSURANCE PREMIUM SUBSIDY**  
 18 **PROGRAM.**

19 **15–12A–01.**

20 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
 21 INDICATED.

22 (B) “COMMISSION” MEANS THE MARYLAND HEALTH CARE  
 23 COMMISSION.

24 (C) “DEPARTMENT” MEANS THE DEPARTMENT OF HEALTH AND  
 25 MENTAL HYGIENE.

26 (D) “PROGRAM” MEANS THE SMALL EMPLOYER HEALTH INSURANCE  
 27 PREMIUM SUBSIDY PROGRAM.

28 (E) “SMALL EMPLOYER” HAS THE MEANING STATED IN § 15–1201 OF  
 29 THIS TITLE.

30 **15–12A–02.**

31 (A) THERE IS A SMALL EMPLOYER HEALTH INSURANCE PREMIUM  
 32 SUBSIDY PROGRAM.

1           **(B) THE PURPOSES OF THE PROGRAM ARE TO:**

2                   **(1) PROVIDE AN INCENTIVE FOR SMALL EMPLOYERS TO OFFER**  
3 **AND MAINTAIN HEALTH INSURANCE FOR THEIR EMPLOYEES;**

4                   **(2) HELP LOW AND MODERATE INCOME EMPLOYEES OF SMALL**  
5 **EMPLOYERS AFFORD HEALTH INSURANCE PREMIUM CONTRIBUTIONS;**

6                   **(3) PROMOTE ACCESS TO HEALTH CARE SERVICES,**  
7 **PARTICULARLY PREVENTIVE HEALTH CARE SERVICES THAT MIGHT REDUCE**  
8 **THE NEED FOR EMERGENCY ROOM CARE AND OTHER ACUTE CARE SERVICES;**  
9 **AND**

10                   **(4) REDUCE UNCOMPENSATED CARE IN HOSPITALS AND OTHER**  
11 **HEALTH CARE SETTINGS.**

12           **(C) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT,**  
13 **SHALL ADMINISTER THE PROGRAM.**

14           **(D) THE PROGRAM SHALL CONSIST OF:**

15                   **(1) SUBSIDIES, AS PROVIDED UNDER § 15-12A-03 OF THIS**  
16 **SUBTITLE, FOR:**

17                           **(I) SMALL EMPLOYERS THAT HAVE NOT PREVIOUSLY**  
18 **OFFERED HEALTH INSURANCE TO THEIR EMPLOYEES; AND**

19                           **(II) EMPLOYEES OF SMALL EMPLOYERS THAT HAVE NOT**  
20 **PREVIOUSLY OFFERED HEALTH INSURANCE TO THEIR EMPLOYEES; AND**

21                   **(2) SUBSIDIES, AS PROVIDED UNDER § 15-12A-04 OF THIS**  
22 **SUBTITLE, FOR SMALL EMPLOYERS THAT ARE OFFERING HEALTH INSURANCE**  
23 **TO THEIR EMPLOYEES.**

24           **(E) FUNDING FOR THE PROGRAM MAY BE PROVIDED FROM:**

25                   **(1) GENERAL FUNDS; OR**

26                   **(2) THE HEALTH CARE COVERAGE FUND ESTABLISHED UNDER**  
27 **TITLE 15, SUBTITLE 7 OF THE HEALTH – GENERAL ARTICLE.**

1           **(F) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT FUNDS**  
2 **PROVIDED IN THE STATE BUDGET FOR THE PURPOSES OF THIS SUBSECTION BE**  
3 **ALLOCATED AS FOLLOWS:**

4           **(1) APPROXIMATELY TWO-THIRDS OF THE FUNDS FOR THE**  
5 **SUBSIDIES AUTHORIZED UNDER § 15-12A-03 OF THIS SUBTITLE; AND**

6           **(2) APPROXIMATELY ONE-THIRD OF THE FUNDS FOR THE**  
7 **SUBSIDIES AUTHORIZED UNDER § 15-12A-04 OF THIS SUBTITLE.**

8 **15-12A-03.**

9           **(A) A SMALL EMPLOYER AND THE EMPLOYEES OF THE SMALL**  
10 **EMPLOYER SHALL BE ELIGIBLE FOR A SUBSIDY OF HEALTH INSURANCE**  
11 **PREMIUMS IF THE SMALL EMPLOYER:**

12           **(1) AT THE TIME OF INITIAL APPLICATION FOR THE SUBSIDY:**

13                   **(I) HAS NOT OFFERED HEALTH INSURANCE TO ITS**  
14 **EMPLOYEES FOR AT LEAST 12 CONSECUTIVE MONTHS;**

15                   **(II) HAS AT LEAST TWO BUT NOT MORE THAN NINE**  
16 **FULL-TIME EMPLOYEES; AND**

17                   **(III) MEETS SALARY AND WAGE REQUIREMENTS**  
18 **ESTABLISHED BY THE COMMISSION;**

19           **(2) ESTABLISHES A PAYROLL DEDUCTION PLAN THAT SATISFIES §**  
20 **125 OF THE INTERNAL REVENUE CODE;**

21           **(3) AGREES TO OFFER A BONA FIDE WELLNESS PROGRAM, AS**  
22 **REQUIRED BY THE COMMISSION; AND**

23           **(4) MEETS ANY OTHER REQUIREMENTS ESTABLISHED BY THE**  
24 **COMMISSION.**

25           **(B) A SUBSIDY OF HEALTH INSURANCE PREMIUM CONTRIBUTIONS**  
26 **MADE BY A SMALL EMPLOYER:**

27           **(1) MAY NOT EXCEED THE LOWER OF:**

28                   **(I) 50% OF THE SMALL EMPLOYER CONTRIBUTION; OR**

29                   **(II) AN AMOUNT ESTABLISHED BY THE COMMISSION; AND**

1           **(2)   MAY BE CALCULATED ON A SLIDING SCALE.**

2           **(C)   A SUBSIDY OF HEALTH INSURANCE PREMIUM CONTRIBUTIONS**  
3 **MADE BY AN EMPLOYEE OF A SMALL EMPLOYER:**

4           **(1)   MAY NOT EXCEED THE LOWER OF:**

5                   **(I)   50% OF THE EMPLOYEE CONTRIBUTION; OR**

6                   **(II)  AN AMOUNT ESTABLISHED BY THE COMMISSION; AND**

7           **(2)   MAY BE CALCULATED ON A SLIDING SCALE.**

8           **(D)   THE COMMISSION MAY ALTER THE SUBSIDY AMOUNTS PROVIDED**  
9 **UNDER SUBSECTIONS (B) AND (C) OF THIS SECTION ACCORDING TO THE**  
10 **NUMBER OF EMPLOYEES OF THE SMALL EMPLOYER.**

11          **(E)   THE TOTAL AMOUNT OF ALL SUBSIDIES PROVIDED UNDER THIS**  
12 **SECTION SHALL BE SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET.**

13 **15-12A-04.**

14          **(A)   A SMALL EMPLOYER SHALL BE ELIGIBLE FOR A SUBSIDY OF HEALTH**  
15 **INSURANCE PREMIUMS IF THE SMALL EMPLOYER:**

16           **(1)   AT THE TIME OF INITIAL APPLICATION FOR THE SUBSIDY:**

17                   **(I)   IS CURRENTLY OFFERING HEALTH INSURANCE TO ITS**  
18 **EMPLOYEES;**

19                   **(II)  HAS AT LEAST TWO BUT NOT MORE THAN NINE**  
20 **FULL-TIME EMPLOYEES, AS DETERMINED BY THE COMMISSION IN**  
21 **REGULATION; AND**

22                   **(III) MEETS SALARY AND WAGE REQUIREMENTS**  
23 **ESTABLISHED BY THE COMMISSION;**

24           **(2)   ESTABLISHES A PAYROLL DEDUCTION PLAN THAT SATISFIES §**  
25 **125 OF THE INTERNAL REVENUE CODE;**

26           **(3)   AGREES TO OFFER A BONA FIDE WELLNESS PROGRAM, AS**  
27 **REQUIRED BY THE COMMISSION; AND**

1           (4) MEETS ANY OTHER REQUIREMENTS ESTABLISHED BY THE  
2 COMMISSION.

3           (B) A SUBSIDY OF HEALTH INSURANCE PREMIUM CONTRIBUTIONS  
4 MADE BY A SMALL EMPLOYER:

5           (1) MAY NOT EXCEED THE LOWER OF:

6                   (I) 50% OF THE SMALL EMPLOYER CONTRIBUTION; OR

7                   (II) AN AMOUNT ESTABLISHED BY THE COMMISSION; AND

8           (2) MAY BE CALCULATED ON A SLIDING SCALE.

9           (C) THE COMMISSION MAY ALTER THE SUBSIDY AMOUNT PROVIDED  
10 UNDER SUBSECTION (B) OF THIS SECTION ACCORDING TO THE NUMBER OF  
11 EMPLOYEES OF THE SMALL EMPLOYER.

12           (D) THE TOTAL AMOUNT OF ALL SUBSIDIES PROVIDED UNDER THIS  
13 SECTION SHALL BE SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET.

14 **15-12A-05.**

15           ON OR BEFORE JANUARY 1, 2009, AND ANNUALLY THEREAFTER, THE  
16 COMMISSION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH §  
17 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON  
18 THE IMPLEMENTATION OF THE PROGRAM.

19                                   **Article - Health - General**

20 15-103.

21           (a) (1) The Secretary shall administer the Maryland Medical Assistance  
22 Program.

23                   (2) The Program:

24                           (i) Subject to the limitations of the State budget, shall provide  
25 medical and other health care services for indigent individuals or medically indigent  
26 individuals or both;

27                           (ii) Shall provide, subject to the limitations of the State budget,  
28 comprehensive medical and other health care services for all eligible pregnant women  
29 whose family income is at or below 250 percent of the poverty level, as permitted by  
30 the federal law;

1 (iii) Shall provide, subject to the limitations of the State budget,  
2 comprehensive medical and other health care services for all eligible children  
3 currently under the age of 1 whose family income falls below 185 percent of the  
4 poverty level, as permitted by federal law;

5 (iv) Shall provide, subject to the limitations of the State budget,  
6 family planning services to women currently eligible for comprehensive medical care  
7 and other health care under item (ii) of this paragraph for 5 years after the second  
8 month following the month in which the woman delivers her child;

9 (v) Shall provide, subject to the limitations of the State budget,  
10 comprehensive medical and other health care services for all children from the age of 1  
11 year up through and including the age of 5 years whose family income falls below 133  
12 percent of the poverty level, as permitted by the federal law;

13 (vi) Shall provide, subject to the limitations of the State budget,  
14 comprehensive medical care and other health care services for all children who are at  
15 least 6 years of age but are under 19 years of age whose family income falls below 100  
16 percent of the poverty level, as permitted by federal law;

17 (vii) Shall provide, subject to the limitations of the State budget,  
18 comprehensive medical care and other health care services for all legal immigrants  
19 who meet Program eligibility standards and who arrived in the United States before  
20 August 22, 1996, the effective date of the federal Personal Responsibility and Work  
21 Opportunity Reconciliation Act, as permitted by federal law;

22 (viii) Shall provide, subject to the limitations of the State budget  
23 and any other requirements imposed by the State, comprehensive medical care and  
24 other health care services for all legal immigrant children under the age of 18 years  
25 and pregnant women who meet Program eligibility standards and who arrived in the  
26 United States on or after August 22, 1996, the effective date of the federal Personal  
27 Responsibility and Work Opportunity Reconciliation Act;

28 **(IX) BEGINNING ON JULY 1, 2008, SHALL PROVIDE,**  
29 **SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, AND AS PERMITTED BY**  
30 **FEDERAL LAW, COMPREHENSIVE MEDICAL CARE AND OTHER HEALTH CARE**  
31 **SERVICES FOR ALL PARENTS AND CARETAKER RELATIVES:**

32 **1. WHO HAVE A DEPENDENT CHILD LIVING IN THE**  
33 **PARENTS' OR CARETAKER RELATIVES' HOME; AND**

34 **2. WHOSE ANNUAL HOUSEHOLD INCOME IS AT OR**  
35 **BELOW 116 PERCENT OF THE POVERTY LEVEL;**

36 **(X) BEGINNING ON JULY 1, 2008, SHALL PROVIDE,**  
37 **SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, AND AS PERMITTED BY**



1 FEDERAL LAW, MEDICAL CARE AND OTHER HEALTH CARE SERVICES FOR  
2 ADULTS:

3 1. WHO DO NOT MEET REQUIREMENTS, SUCH AS  
4 AGE, DISABILITY, OR PARENT OR CARETAKER RELATIVE OF A DEPENDENT  
5 CHILD, FOR A FEDERAL CATEGORY OF ELIGIBILITY FOR MEDICAID;

6 2. WHOSE ANNUAL HOUSEHOLD INCOME IS AT OR  
7 BELOW 116 PERCENT OF THE POVERTY LEVEL; AND

8 3. WHO ARE NOT ENROLLED IN THE FEDERAL  
9 MEDICARE PROGRAM, AS ENACTED BY TITLE XVIII OF THE SOCIAL SECURITY  
10 ACT;

11 [(ix)] (XI) May include bedside nursing care for eligible Program  
12 recipients; and

13 [(x)] (XII) Shall provide services in accordance with funding  
14 restrictions included in the annual State budget bill.

15 (3) Subject to restrictions in federal law or waivers, the Department  
16 may:

17 (I) [impose] IMPOSE cost-sharing on Program recipients; AND

18 (II) FOR ADULTS WHO DO NOT MEET REQUIREMENTS FOR A  
19 FEDERAL CATEGORY OF ELIGIBILITY FOR MEDICAID:

20 1. CAP ENROLLMENT; AND

21 2. LIMIT THE BENEFIT PACKAGE.

22 (b) (23) [(vii) An individual who was enrolled in the Primary Adult Care  
23 Program established under § 15–140 of this subtitle within 120 days of becoming  
24 eligible for the HealthChoice Program shall be enrolled automatically in the same  
25 managed care organization in which the individual was enrolled under the Primary  
26 Adult Care Program, if the managed care organization is participating in the  
27 HealthChoice Program.]

28 [15–140.

29 (a) In this section, “Program” means the Primary Adult Care Program.

30 (b) (1) There is a Primary Adult Care Program within the Program.

- 1           (2)    The purpose of the Primary Adult Care Program is to:
- 2                   (i)    Consolidate health care services provided to adults through  
3 the Program; and
- 4                   (ii)   Access federal funding to expand primary and preventive  
5 care to adults lacking health care services.
- 6           (3)    The Secretary shall administer the Program as allowed by federal  
7 law or waiver.
- 8           (c)    Subject to the limitations of the State budget and as allowed by federal  
9 law or waiver, the Program shall provide a health care benefit package offering  
10 primary and preventive care for adults.
- 11          (d)    The Program shall be funded:
- 12                   (1)    As provided in the State budget; and
- 13                   (2)    With federal matching money.
- 14          (e)    The Secretary shall adopt regulations:
- 15                   (1)    To implement the Program; and
- 16                   (2)    That establish a process through which historic HealthChoice  
17 Program enrollees who become eligible for the Primary Adult Care Program within  
18 120 days of losing HealthChoice eligibility will be enrolled automatically with the  
19 same managed care organization in which the individual was enrolled under the  
20 HealthChoice Program, if the managed care organization is participating in the  
21 Primary Adult Care Program.]

22                                   **SUBTITLE 7. HEALTH CARE COVERAGE FUND.**

23   **15-701.**

24           **(A)    IN THIS SUBTITLE, “FUND” MEANS THE HEALTH CARE COVERAGE**  
25 **FUND.**

26           **(B)    THERE IS A HEALTH CARE COVERAGE FUND.**

27           **(C)    THE PURPOSE OF THE FUND IS TO SUPPORT HEALTH CARE**  
28 **COVERAGE FOR INDIVIDUALS AND FAMILIES WITH LOW OR MODERATE INCOME.**

29           **(D)    THE DEPARTMENT AND THE MARYLAND HEALTH CARE**  
30 **COMMISSION SHALL ADMINISTER THE FUND.**

1           **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
2 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

3           **(2) THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND**  
4 **THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

5           **(F) THE FUND CONSISTS OF:**

6           **(1) MONEYS TRANSFERRED FROM THE MARYLAND HEALTH**  
7 **INSURANCE PLAN FUND;**

8           **(2) MONEYS COLLECTED FROM ANY ASSESSMENT BY THE STATE**  
9 **HEALTH SERVICES COST REVIEW COMMISSION ON HOSPITALS UNDER §**  
10 **19-214(D) OF THIS ARTICLE;**

11           **(3) ANY MONEYS MADE AVAILABLE FROM INVESTMENT**  
12 **EARNINGS; AND**

13           **(4) ANY OTHER MONEYS FROM ANY OTHER SOURCE ACCEPTED**  
14 **FOR THE BENEFIT OF THE FUND.**

15           **(G) (1) THE FUND SHALL BE INVESTED AND REINVESTED IN THE**  
16 **SAME MANNER AS OTHER STATE FUNDS.**

17           **(2) ANY INVESTMENT EARNINGS SHALL BE CREDITED TO THE**  
18 **FUND.**

19           **(H) THE FUND MAY BE USED ONLY FOR EXPENSES ASSOCIATED WITH:**

20           **(1) EXPANDING MEDICAID ELIGIBILITY FOR PARENTS AND**  
21 **CARETAKER RELATIVES:**

22                   **(I) WHO HAVE A DEPENDENT CHILD LIVING WITH THEM;**  
23 **AND**

24                   **(II) WHOSE ANNUAL HOUSEHOLD INCOME IS AT OR BELOW**  
25 **116% OF THE FEDERAL POVERTY GUIDELINES;**

26           **(2) EXPANDING MEDICAID ELIGIBILITY AND BENEFITS FOR**  
27 **INDIVIDUALS:**

1                   (I) WHO DO NOT MEET REQUIREMENTS, SUCH AS AGE,  
2 DISABILITY, OR PARENT OR CARETAKER RELATIVE OF A DEPENDENT CHILD,  
3 FOR A FEDERAL CATEGORY OF ELIGIBILITY FOR MEDICAID;

4                   (II) WHOSE ANNUAL HOUSEHOLD INCOME IS AT OR BELOW  
5 116% OF THE FEDERAL POVERTY GUIDELINES; AND

6                   (III) WHO ARE NOT ENROLLED IN THE FEDERAL MEDICARE  
7 PROGRAM, AS ENACTED BY TITLE XVIII OF THE SOCIAL SECURITY ACT; AND

8                   (3) PROVIDING AND ADMINISTERING HEALTH INSURANCE  
9 PREMIUM SUBSIDIES UNDER TITLE 15, SUBTITLE 12A OF THE INSURANCE  
10 ARTICLE.

11                   (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN  
12 ACCORDANCE WITH THE STATE BUDGET.

13                   (J) MONEY FROM THE FUND SHALL SUPPLEMENT AND MAY NOT  
14 SUPPLANT FUNDING FOR THE MARYLAND MEDICAL ASSISTANCE PROGRAM.

15                   (K) THE FUND IS SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE  
16 AUDITS.

17 19-214.

18                   (D) (1) ON OR AFTER JULY 1, 2009, IF THE EXPANSION OF HEALTH  
19 CARE COVERAGE UNDER CHAPTER \_\_ (S.B.\_\_/ H.B. \_\_) (8LR0262) OF THE ACTS  
20 OF THE GENERAL ASSEMBLY OF THE 2007 SPECIAL SESSION REDUCES  
21 HOSPITAL UNCOMPENSATED CARE, THE COMMISSION:

22                                 (I) MAY ASSESS AN AMOUNT IN HOSPITAL RATES EQUAL TO  
23 A PORTION OF THE RESULTING SAVINGS REALIZED IN HOSPITAL  
24 UNCOMPENSATED CARE; AND

25                                 (II) SHALL ADJUST RATES TO RETURN SAVINGS TO PAYORS.

26                   (2) THE COMMISSION SHALL DETERMINE THE SAVINGS IN  
27 AVERTED UNCOMPENSATED CARE FOR EACH HOSPITAL INDIVIDUALLY.

28                   (3) EACH HOSPITAL SHALL REMIT ANY ASSESSMENT UNDER THIS  
29 SUBSECTION TO THE HEALTH CARE COVERAGE FUND ESTABLISHED UNDER §  
30 15-701 OF THIS ARTICLE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
2 read as follows:

3 **Article – Insurance**

4 15–1201.

5 (a) In this subtitle the following words have the meanings indicated.

6 (d) “Commission” means the Maryland Health Care Commission established  
7 under Title 19, Subtitle 1 of the Health – General Article.

8 15–1206.

9 (G) (1) **A LICENSED INSURANCE PRODUCER SHALL PROVIDE TO A  
10 SMALL EMPLOYER INFORMATION ABOUT:**

11 (I) **BONA FIDE WELLNESS PROGRAMS:**

12 1. **AS DEFINED IN § 27–210 OF THIS ARTICLE; AND**

13 2. **THAT MEET THE REQUIREMENTS OF ANY  
14 REGULATIONS ADOPTED BY THE COMMISSION; AND**

15 (II) **THE TAX ADVANTAGES OF A PAYROLL DEDUCTION PLAN  
16 THAT SATISFIES § 125 OF THE INTERNAL REVENUE CODE.**

17 (2) **THE INFORMATION SHALL BE PROVIDED:**

18 (I) **WHENEVER THE EMPLOYER PURCHASES OR RENEWS A  
19 HEALTH INSURANCE POLICY; AND**

20 (II) **ON REQUEST.**

21 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
22 read as follows:

23 **Article – Health – General**

24 19–101.

25 In this subtitle, “Commission” means the Maryland Health Care Commission.

26 19–108.

1 (a) In addition to the duties set forth elsewhere in this subtitle, the  
2 Commission:

3 (1) [shall] **SHALL** adopt regulations:

4 [(1)] **(I)** Specifying the Comprehensive Standard Health Benefit Plan  
5 to apply under Title 15, Subtitle 12 of the Insurance Article; and

6 [(2)]**(II)** Specifying the Limited Health Benefit Plan to apply under  
7 Title 15, Subtitle 12 of the Insurance Article; **AND**

8 (2) **ON OR BEFORE MARCH 1, 2008, IN CONSULTATION WITH THE**  
9 **DEPARTMENT, SHALL PROPOSE REGULATIONS TO:**

10 (I) **SPECIFY THE COMPONENTS OF BONA FIDE WELLNESS**  
11 **PROGRAMS, OFFERED IN THE SMALL GROUP INSURANCE MARKET, THAT:**

12 1. **MEET THE REQUIREMENTS OF § 27-210 OF THE**  
13 **INSURANCE ARTICLE; AND**

14 2. **INCLUDE DIFFERENTIAL COST-SHARING FOR**  
15 **EMPLOYEES BASED ON THEIR PARTICIPATION IN WELLNESS ACTIVITIES;**

16 (II) **REQUIRE CARRIERS THAT PARTICIPATE IN THE SMALL**  
17 **GROUP INSURANCE MARKET TO OFFER A BONA FIDE WELLNESS PROGRAM; AND**

18 (III) **REQUIRE SMALL EMPLOYERS RECEIVING A SUBSIDY OF**  
19 **HEALTH INSURANCE PREMIUM CONTRIBUTIONS UNDER TITLE 15, SUBTITLE**  
20 **12A OF THE INSURANCE ARTICLE TO AGREE TO PURCHASE A BONA FIDE**  
21 **WELLNESS PROGRAM.**

22 (b) In carrying out its duties under this section, the Commission shall comply  
23 with the provisions of § 15-1207 **AND TITLE 15, SUBTITLE 12A** of the Insurance  
24 Article.

25 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
26 read as follows:

27 **Article - Health - General**

28 19-101.

29 In this subtitle, "Commission" means the Maryland Health Care Commission.

30 19-108.

1 (a) In addition to the duties set forth elsewhere in this subtitle, the  
2 Commission:

3 (1) [shall] **SHALL** adopt regulations specifying the Comprehensive  
4 Standard Health Benefit Plan to apply under Title 15, Subtitle 12 of the Insurance  
5 Article; **AND**

6 (2) **ON OR BEFORE MARCH 1, 2008, IN CONSULTATION WITH THE**  
7 **DEPARTMENT, SHALL PROPOSE REGULATIONS TO:**

8 (I) **SPECIFY THE COMPONENTS OF BONA FIDE WELLNESS**  
9 **PROGRAMS, OFFERED IN THE SMALL GROUP INSURANCE MARKET, THAT:**

10 1. **MEET THE REQUIREMENTS OF § 27-210 OF THE**  
11 **INSURANCE ARTICLE; AND**

12 2. **INCLUDE DIFFERENTIAL COST-SHARING FOR**  
13 **EMPLOYEES BASED ON THEIR PARTICIPATION IN WELLNESS ACTIVITIES;**

14 (II) **REQUIRE CARRIERS THAT PARTICIPATE IN THE SMALL**  
15 **GROUP INSURANCE MARKET TO OFFER A BONA FIDE WELLNESS PROGRAM; AND**

16 (III) **REQUIRE SMALL EMPLOYERS RECEIVING A SUBSIDY OF**  
17 **HEALTH INSURANCE PREMIUM CONTRIBUTIONS UNDER TITLE 15, SUBTITLE**  
18 **12A OF THE INSURANCE ARTICLE TO AGREE TO PURCHASE A BONA FIDE**  
19 **WELLNESS PROGRAM.**

20 (b) In carrying out its duties under this section, the Commission shall comply  
21 with the provisions of § 15-1207 **AND TITLE 15, SUBTITLE 12A** of the Insurance  
22 Article.

23 SECTION 5. **AND BE IT FURTHER ENACTED,** That it is the intent of the  
24 General Assembly that in fiscal year 2009, the level of benefits provided to individuals  
25 under § 15-103(a)(2)(x) of the Health – General Article, as enacted by Section 1 of this  
26 Act, be at least equivalent to the benefits that had been offered to individuals  
27 participating in the Primary Adult Care Program repealed under Section 1 of this Act.

28 SECTION 6. **AND BE IT FURTHER ENACTED,** That it is the intent of the  
29 General Assembly that, to the extent that funds are provided in the State budget, the  
30 medical care and other health care services under the Maryland Medical Assistance  
31 Program made available under § 15-103(a)(2)(x) of the Health – General Article, as  
32 enacted by Section 1 of this Act, shall be phased in as follows:

33 (1) in fiscal year 2010, specialty medical care and hospital emergency  
34 department services if the combined total of general fund revenues and Education

1 Trust Fund revenues as submitted with the Governor's proposed budget is greater  
2 than \$16,241,000,000;

3 (2) in fiscal year 2011, outpatient hospital services, if the combined  
4 total of general fund revenues and Education Trust Fund revenues as submitted with  
5 the Governor's proposed budget is greater than \$16,918,000,000;

6 (3) in fiscal year 2012, inpatient hospital services, with limits either  
7 on the benefits covered or the number of individuals receiving the benefits, if the  
8 combined total of general fund revenues and Education Trust Fund revenues as  
9 submitted with the Governor's proposed budget is greater than \$18,069,000,000; and

10 (4) in fiscal year 2013, full Medicaid benefits, with limits either on the  
11 benefits covered or the number of individuals receiving the benefits.

12 SECTION 7. AND BE IT FURTHER ENACTED, That, on or before March 1,  
13 2008, the Department of Health and Mental Hygiene shall submit to the federal  
14 Centers for Medicare and Medicaid Services an amendment to the Medicaid waiver  
15 that implements the changes to §§ 15-103(a)(2)(x) and (3) and 15-140 of the Health -  
16 General Article, as enacted by Section 1 of this Act. The changes to §§ 15-103(a)(2)(x)  
17 and (3) and 15-140 of the Health - General Article, as enacted by Section 1 of this Act,  
18 shall take effect on the date that the federal Centers for Medicare and Medicaid  
19 Services approves the waiver amendment. If the waiver amendment is denied, the  
20 changes to §§ 15-103(a)(2)(x) and (3) and 15-140 of the Health - General Article, as  
21 enacted by Section 1 of this Act, shall be null and void without the necessity of further  
22 action by the General Assembly. The Department of Health and Mental Hygiene,  
23 within 5 days after receiving notice of approval or denial of a waiver, shall forward a  
24 copy of the notice to the Department of Legislative Services, 90 State Circle,  
25 Annapolis, Maryland 21401.

26 SECTION 8. AND BE IT FURTHER ENACTED, That an individual who is  
27 enrolled in the Primary Adult Care Program and becomes eligible for Maryland  
28 Medical Assistance Program benefits under § 15-103(a) of the Health - General  
29 Article shall be automatically enrolled in the same managed care organization unless  
30 the individual selects another participating managed care organization. Individuals  
31 who disenroll from the Primary Adult Care Program and, within 120 days of  
32 disenrolling, enroll in the Maryland Medical Assistance Program in a category of  
33 eligibility under § 15-103(a) of the Health - General Article, shall be assigned to the  
34 managed care organization in which the individual was most recently enrolled.

35 SECTION 9. AND BE IT FURTHER ENACTED, That, notwithstanding any  
36 other provision of law, for fiscal year 2009, funds may be appropriated by approved  
37 budget amendment from the Health Care Coverage Fund established under Section 1  
38 of this Act for:

39 (1) the expansion of eligibility for the Maryland Medical Assistance  
40 Program, as enacted under Section 1 of this Act; and



1           (2) providing funding for the Small Employer Health Insurance  
2 Premium Subsidy Program created in Section 1 of this Act.

3           SECTION 10. AND BE IT FURTHER ENACTED, That the State Health  
4 Services Cost Review Commission and the Department of Health and Mental Hygiene  
5 shall develop a mechanism to calculate the amount of averted hospital uncompensated  
6 care resulting from the expansion of health care coverage, as enacted under Section 1  
7 of this Act.

8           SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding any  
9 other provision of law, in fiscal year 2009, \$75,000,000 may be transferred by approved  
10 budget amendment from the Maryland Health Insurance Plan Fund to the Health  
11 Care Coverage Fund established under Section 1 of this Act to be used only for the  
12 purposes authorized under § 15-701 of the Health – General Article, as enacted by  
13 Section 1 of this Act.

14           SECTION 12. AND BE IT FURTHER ENACTED, That if the State's Medicare  
15 waiver under § 1814(b) of the federal Social Security Act terminates, the hospital rate  
16 assessment specified under § 19-214 of the Health – General Article, as enacted under  
17 Section 1 of this Act, shall terminate at the end of the fiscal year in which the waiver  
18 terminates.

19           SECTION 13. AND BE IT FURTHER ENACTED, That the State shall ensure  
20 that the transfer of funds from the Maryland Health Insurance Plan Fund under  
21 Section 11 of this Act and the hospital rate assessment specified under § 19-214 of the  
22 Health – General Article, as enacted under Section 1 of this Act, shall be consistent  
23 with the State's Medicare waiver under § 1814(b) of the federal Social Security Act and  
24 federal regulations.

25           SECTION 14. AND BE IT FURTHER ENACTED, That Section 4 of this Act  
26 shall take effect on the taking effect of the termination provision specified in Section 5  
27 of Chapter 287 of the Acts of the General Assembly of 2004. If that termination  
28 provision takes effect, Section 3 of this Act shall be abrogated and of no further force  
29 and effect. This Act may not be interpreted to have any effect on that termination  
30 provision.

31           SECTION 15. AND BE IT FURTHER ENACTED, That, except as provided in  
32 Sections 7 and 14 of this Act, this Act shall take effect January 1, 2008.