

# HOUSE BILL 726

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CF 8lr2592

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By: **Delegates R. Lewis, Angel, Hill, Kelly, Pena–Melnyk, Sample–Hughes, and Stein**

Introduced and read first time: February 1, 2018

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Department of Health – Basic Health Program – Implementation**

3 FOR the purpose of requiring the Maryland Department of Health to provide certain Basic  
4 Health Program coverage in the State; requiring the Maryland Department of  
5 Health to report to the Department of Legislative Services and the General Assembly  
6 on or before a certain date on whether the State can implement, beginning on a  
7 certain date, a Basic Health Program that accomplishes certain objectives and take  
8 other certain action related to the implementation of the Program; requiring the  
9 Maryland Department of Health to consult with the Maryland Health Benefit  
10 Exchange and certain parties in preparing certain reports; requiring the Maryland  
11 Department of Health to submit a certain report to the Department of Legislative  
12 Services and the General Assembly on or before a certain date under certain  
13 circumstances; making certain provisions of this Act subject to certain contingencies;  
14 and generally relating to the Basic Health Program.

15 BY adding to

16 Article – Health – General

17 Section 15–1101 to be under the new subtitle “Subtitle 11. Basic Health Program”

18 Annotated Code of Maryland

19 (2015 Replacement Volume and 2017 Supplement)

20 Preamble

21 WHEREAS, The Affordable Care Act has substantially reduced the number of  
22 uninsured Marylanders; and

23 WHEREAS, An important cause of that progress is that federal financial assistance  
24 helps low– and moderate–income consumers purchase private health insurance offered  
25 through the Maryland Health Benefit Exchange; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, Despite the federal financial assistance, many Maryland consumers  
2 continue to find private health insurance unaffordable and, therefore, remain uninsured;  
3 and

4 WHEREAS, The Basic Health Program option of the Affordable Care Act gives states  
5 an opportunity to provide more affordable health insurance to consumers who are ineligible  
6 for Medicaid but who have incomes at or below 200% of the poverty line; and

7 WHEREAS, Consumers who are ineligible for Medicaid but who have incomes at or  
8 below 200% of the poverty line are typically enrolled in health plans that contract with the  
9 State, rather than insurance offered through the Maryland Health Benefit Exchange; and

10 WHEREAS, The federal government makes Basic Health Program payments equal  
11 to 95% of the federal financial assistance that Basic Health Program enrollees would have  
12 received if they had enrolled in Maryland Health Benefit Exchange coverage; and

13 WHEREAS, Other states have found that the Basic Health Program has made  
14 coverage substantially more affordable to low-income consumers, greatly reducing the  
15 number of uninsured; and

16 WHEREAS, The State of New York uses the Basic Health Program to provide  
17 consumers with coverage that costs \$20 or less in premiums and imposes no deductible;  
18 and

19 WHEREAS, During the 2 years following New York's implementation of the Basic  
20 Health Program, the number of individuals receiving health coverage in the relevant  
21 income range more than doubled, rising from 166,000 to 386,000, and subsidized  
22 marketplace enrollment unaffected by the Basic Health Program increased by only 2%,  
23 from 141,000 to 143,000; and

24 WHEREAS, The long-term prospects for federal funding for the Basic Health  
25 Program are positive because federal funding is based on premiums charged for silver-level  
26 Maryland Health Benefit Exchange coverage and those premiums are rising; and

27 WHEREAS, Despite the optimistic long-term prospects, the national policy  
28 environment has created significant questions about the rules that will apply to funding  
29 for the Basic Health Program; and

30 WHEREAS, If the federal policy environment and health insurance markets move  
31 in a direction that permits the State to implement the Basic Health Program without  
32 spending money from the General Fund to substantially improve the affordability of  
33 coverage for low-income individuals, the State should implement the Basic Health  
34 Program as soon as possible; now, therefore,

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



1 January 1, 2020, Section 1 of this Act shall take effect on January 1, 2020.

2 SECTION 3. AND BE IT FURTHER ENACTED, That:

3 (a) If the Maryland Department of Health finds in the report required under  
4 Section 2 of this Act that BHP implementation cannot accomplish all of the objectives listed  
5 under Section 2(a) of this Act, the Department shall submit a follow-up report to the  
6 Department of Legislative Services and the General Assembly, in accordance with § 2-1246  
7 of the State Government Article, on or before March 1, 2020, on whether the State can  
8 implement BHP to accomplish all of the objectives listed under Section 2(a) of this Act,  
9 beginning January 1, 2021.

10 (b) If the Maryland Department of Health finds in the follow-up report that BHP  
11 implementation can accomplish all of the objectives listed under Section 2(a) of this Act  
12 beginning on January 1, 2021, Section 1 of this Act shall take effect on January 1, 2021.

13 (c) If the Department does not find in either the report required under Section 2  
14 of this Act or the follow-up report required under subsection (a) of this section that BHP  
15 implementation can accomplish all of the objectives listed under Section 2(a) of this Act,  
16 Section 1 of this Act, with no further action required by the General Assembly, shall be  
17 abrogated and of no further force and effect.

18 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to Sections 2 and 3 of  
19 this Act, this Act shall take effect July 1, 2018.