

SENATE BILL 690

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8lr2592
CF HB 726

By: **Senators Benson, Currie, Kelley, Oaks, and Rosapepe**

Introduced and read first time: February 2, 2018

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 27, 2018

CHAPTER _____

1 AN ACT concerning

2 ~~Maryland Department of Health – Basic Health Program – Implementation~~
3 Maryland Health Insurance Coverage Protection Commission – Basic Health
4 Program – Study

5 FOR the purpose of requiring the ~~Maryland Department of Health to provide certain Basic~~
6 ~~Health Program coverage in the State; requiring the Maryland Department of~~
7 ~~Health to report to the Department of Legislative Services and the General Assembly~~
8 ~~on or before a certain date on whether the State can implement, beginning on a~~
9 ~~certain date, a Basic Health Program that accomplishes certain objectives and take~~
10 ~~other certain action related to the implementation of the Program; requiring the~~
11 ~~Maryland Department of Health to consult with the Maryland Health Benefit~~
12 ~~Exchange and certain parties in preparing certain reports; requiring the Maryland~~
13 ~~Department of Health to submit a certain report to the Department of Legislative~~
14 ~~Services and the General Assembly on or before a certain date under certain~~
15 ~~circumstances; making certain provisions of this Act subject to certain contingencies;~~
16 ~~and generally relating to the Basic Health Program~~ Maryland Health Insurance
17 Coverage Protection Commission to study and make recommendations regarding the
18 feasibility of the State providing certain Basic Health Program coverage in the State
19 beginning on a certain date; requiring the study to address certain matters; requiring
20 the Commission to include certain findings and recommendations in a certain annual
21 report; and generally relating to the Maryland Health Insurance Coverage
22 Protection Commission and the study of the Basic Health Program.

23 ~~BY adding to~~
24 ~~Article – Health – General~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~Section 15-1101 to be under the new subtitle "Subtitle 11. Basic Health Program"
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)~~

BY repealing and reenacting, without amendments,
Chapter 17 of the Acts of the General Assembly of 2017
Section 1(b) and (g)

BY adding to
Chapter 17 of the Acts of the General Assembly of 2017
Section 1(h)

BY repealing and reenacting, with amendments,
Chapter 17 of the Acts of the General Assembly of 2017
Section 1(h) and (i)

Preamble

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

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

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

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

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

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

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

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

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

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

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

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

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

22 ~~Article Health General~~

23 ~~SUBTITLE 11. BASIC HEALTH PROGRAM.~~

24 ~~15-1101.~~

25 ~~THE DEPARTMENT JOINTLY WITH THE MARYLAND HEALTH BENEFIT~~
26 ~~EXCHANGE SHALL COLLABORATE TO PROVIDE BASIC HEALTH PROGRAM~~
27 ~~COVERAGE, AS DESCRIBED IN 42 U.S.C. § 18051, IN THE STATE.~~

28 ~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~

29 (a) ~~On or before June 1, 2019, the Maryland Department of Health shall report to~~
30 ~~the Department of Legislative Services and the General Assembly, in accordance with §~~
31 ~~2-1246 of the State Government Article, on whether, beginning January 1, 2020, the State~~
32 ~~can:~~

33 (1) ~~implement a Basic Health Plan (BHP), as described in 42 U.S.C. §~~
34 ~~18051, to significantly reduce the cost of coverage to some or all individuals with incomes~~
35 ~~at or below 200% of the poverty line and who are ineligible for Medicaid;~~

~~(2) pay for BHP health care services using federal BHP funding only and without an appropriation of State funds from the General Fund;~~

~~(3) implement BHP efficiently through existing State agencies; and~~

~~(4) retain enough covered lives in health plans offered through the Maryland Health Benefit Exchange to assure market stability.~~

~~(b) In preparing any reports required under this section or Section 3 of this Act, the Maryland Department of Health shall consult with the Maryland Health Benefit Exchange and other interested parties, including:~~

~~(1) the Maryland Health Care For All Coalition;~~

~~(2) health insurers;~~

~~(3) hospitals;~~

~~(4) physicians; and~~

~~(5) experts in federal BHP funding who are able to provide consultation to the Department at no cost to the State.~~

~~(c) If the Maryland Department of Health finds that BHP implementation can accomplish all of the objectives listed under subsection (a) of this section beginning on January 1, 2020, Section 1 of this Act shall take effect on January 1, 2020.~~

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

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

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

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

1 Chapter 17 of the Acts of 2017

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

3 That:

4 (b) There is a Maryland Health Insurance Coverage Protection Commission.

5 (g) (1) The Commission shall:

6 (i) monitor potential and actual federal changes to the ACA,
7 Medicaid, the Maryland Children's Health Program, Medicare, and the Maryland
8 All-Payer Model;

9 (ii) assess the impact of potential and actual federal changes to the
10 ACA, Medicaid, the Maryland Children's Health Program, Medicare, and the Maryland
11 All-Payer Model; and

12 (iii) provide recommendations for State and local action to protect
13 access of residents of the State to affordable health coverage.

14 (2) The duties of the Commission under paragraph (1) of this subsection
15 shall include a study that includes:

16 (i) an assessment of the current and potential adverse effects of the
17 loss of health coverage on the residents, public health, and economy of the State resulting
18 from changes to the ACA, Medicaid, the Maryland Children's Health Program, Medicare,
19 or the Maryland All-Payer Model;

20 (ii) an estimate of the costs to the State and State residents of
21 adverse effects from changes to the ACA, Medicaid, the Maryland Children's Health
22 Program, Medicare, or the Maryland All-Payer Model and the resulting loss of health
23 coverage;

24 (iii) an examination of measures that may prevent or mitigate the
25 adverse effects of changes to the ACA, Medicaid, the Maryland Children's Health Program,
26 Medicare, or the Maryland All-Payer Model and the resulting loss of health coverage on
27 the residents, public health, and economy of the State; and

28 (iv) recommendations for laws that:

29 1. may be warranted to minimize the adverse effects
30 associated with changes to the ACA, Medicaid, the Maryland Children's Health Program,
31 Medicare, or the Maryland All-Payer Model; and

32 2. will assist residents in obtaining and maintaining
33 affordable health coverage.

1 **(H) (1) THE COMMISSION SHALL STUDY AND MAKE RECOMMENDATIONS**
 2 **REGARDING THE FEASIBILITY OF THE STATE PROVIDING BASIC HEALTH PROGRAM**
 3 **(BHP) COVERAGE, AS DESCRIBED IN 42 U.S.C. § 18051, IN THE STATE BEGINNING**
 4 **JANUARY 1, 2020.**

5 **(2) THE STUDY UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL**
 6 **ADDRESS WHETHER THE STATE CAN:**

7 **(I) IMPLEMENT BHP TO SIGNIFICANTLY REDUCE THE COST OF**
 8 **COVERAGE TO SOME OR ALL INDIVIDUALS WITH INCOMES AT OR BELOW 200% OF**
 9 **THE POVERTY LINE AND WHO ARE INELIGIBLE FOR MEDICAID;**

10 **(II) PAY FOR BHP HEALTH CARE SERVICES USING FEDERAL**
 11 **BHP FUNDING ONLY AND WITHOUT AN APPROPRIATION OF STATE FUNDS FROM**
 12 **THE GENERAL FUND OF THE STATE;**

13 **(III) IMPLEMENT BHP EFFICIENTLY THROUGH EXISTING STATE**
 14 **AGENCIES; AND**

15 **(IV) RETAIN ENOUGH COVERED LIVES IN HEALTH PLANS**
 16 **OFFERED THROUGH THE MARYLAND HEALTH BENEFIT EXCHANGE TO ASSURE**
 17 **MARKET STABILITY.**

18 **(3) THE COMMISSION SHALL INCLUDE ITS FINDINGS AND**
 19 **RECOMMENDATIONS FROM THE STUDY REQUIRED UNDER PARAGRAPH (1) OF THIS**
 20 **SUBSECTION IN THE ANNUAL REPORT SUBMITTED BY THE COMMISSION ON OR**
 21 **BEFORE DECEMBER 31, 2018, UNDER SUBSECTION (J) OF THIS SECTION.**

22 **[(h)] (I) The Commission may:**

23 **(1) hold public meetings across the State to carry out the duties of the**
 24 **Commission; and**

25 **(2) convene workgroups to solicit input from stakeholders.**

26 **[(i)] (J) On or before December 31 each year, the Commission shall submit a**
 27 **report on its findings and recommendations, including any legislative proposals, to the**
 28 **Governor and, in accordance with § 2-1246 of the State Government Article, the General**
 29 **Assembly.**

30 SECTION ~~4~~ 2. AND BE IT FURTHER ENACTED, That, ~~subject to Sections 2 and~~
 31 ~~3 of this Act,~~ this Act shall take effect ~~July~~ June 1, 2018.