

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 97

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “defining” in line 4 down through “Plan;” in line 6 and substitute “broadening the group of self-employed individuals or sole proprietorships that qualify as small employers for the purposes of eligibility under the Maryland Health Insurance Reform Act under certain circumstances; authorizing certain persons to request documentation from certain persons for a certain purpose; providing for the effective dates of this Act; providing for the application of this Act;”; in line 7, after the semicolon insert “requiring a certain study; prohibiting implementation of the health care practitioner payment system until a certain date and under certain circumstances;”; in line 26, strike “698(q)” and substitute “698(q)(1)”; and after line 28, insert:

“BY adding to

Article 48A - Insurance Code

Section 698(q)(9)

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)”.

On page 2, after line 6, insert:

“BY adding to

Article - Insurance

Section 15-1203(b)(4)

Annotated Code of Maryland

(1995 Volume and 1996 Supplement)

(As enacted by Chapter \_\_\_\_\_ (H.B. 11) of the Acts of the General Assembly of 1997)”;

and in line 9, strike “15-1203” and substitute “15-1203(c)”.

(Over)

AMENDMENT NO. 2

On pages 7 through 9, strike in their entirety the lines beginning with line 12 on page 7 through line 5 on page 9, inclusive, and substitute:

“698.

(q) (1) “Small employer” means:

(i) Any person, sole proprietor, firm, corporation, partnership, or association actively engaged in business if:

1. On at least 50 percent of its working days during the preceding calendar year, employed at least two but no more than 50 eligible employees; and

2. The majority of the individuals described under item 1 of this subparagraph are employed within the State; or

(ii) Any self-employed individual who:

1. [Is] A. LIVES, WORKS, OR RESIDES IN THIS STATE; AND

B. IS an individual or sole proprietor [who derives] OR IS ORGANIZED IN ANY OTHER LEGALLY RECOGNIZED MANNER THAT A SELF-EMPLOYED INDIVIDUAL MAY ORGANIZE SUCH THAT a substantial portion of the individual's income IS DERIVED from a trade or business through which the individual or sole proprietor has attempted to earn taxable income and for which the individual has filed the appropriate Internal Revenue [Form 1040, Schedule C or F,] FORM OR FORMS AND SCHEDULE for the previous taxable year, a copy of which shall be filed with the carrier [as proof of employment]; or

2. Is an individual engaged in a licensed profession through a professional corporation organized in accordance with Title 5, Subtitle 1 of the Corporations and Associations Article and who received health benefits through a professional association prior to July 1, 1994.

(9) A CARRIER MAY REQUEST DOCUMENTATION FROM A PERSON TO VERIFY THAT THE PERSON SATISFIES THE CRITERIA UNDER PARAGRAPH (1)(I), (2)(I), (4), (5), (6), OR (7) OF THIS SUBSECTION TO BE CONSIDERED A SMALL EMPLOYER

UNDER THIS SUBTITLE.”.

AMENDMENT NO. 3

On pages 10 through 12, strike in their entirety the lines beginning with line 30 on page 10 through line 21 on page 12, inclusive, and substitute:

“15-1203.

(b) (4) A CARRIER MAY REQUEST DOCUMENTATION TO VERIFY THAT A PERSON MEETS THE CRITERIA UNDER THIS SUBSECTION TO BE CONSIDERED A SMALL EMPLOYER UNDER THIS SUBTITLE.

(c) An individual is considered a small employer under this subtitle if the individual:

(1) LIVES, WORKS, OR RESIDES IN THE STATE; AND

(2) is a self-employed individual [or] ORGANIZED AS A sole proprietorship OR IN ANY OTHER LEGALLY RECOGNIZED MANNER THAT A SELF-EMPLOYED INDIVIDUAL MAY ORGANIZE:

[(1)] (I) a substantial part of whose income derives from a trade or business through which the individual has attempted to earn taxable income;

[(2)] (II) who has filed the appropriate Internal Revenue [Form 1040, Schedule C or F,] FORM for the previous taxable year; and

[(3)] (III) for whom a copy of the APPROPRIATE Internal Revenue form OR FORMS AND SCHEDULE has been filed with the carrier [as proof of employment].”.

AMENDMENT NO. 4

On page 12, strike in their entirety lines 30 through 33, inclusive, and substitute:

“(1) Due to the rapid changes the health care market is experiencing, the Maryland Health

(Over)

Care Access and Cost Commission shall study and make recommendations on the findings that result from the study on the desirability of a statewide payment system for health care practitioners;

(2) The study shall include an evaluation of:

(a) The goals of a statewide payment system;

(b) The appropriateness of the payment system mandated in §19-1509 of the Health-General Article to achieving these goals;

(c) The feasibility and desirability of including reimbursement methodologies other than fee-for-service in a statewide payment system;

(d) The continuing need for a statewide payment system, in light of the changes in the health care market; and

(e) Any other factors the Commission regards as important; and”;

in line 34, strike “(2)” and substitute “(3)”; in line 36, strike “August” and substitute “November”; and after line 36 insert:

“SECTION 6. AND BE IT FURTHER ENACTED, That:

(1) The Maryland Health Care Access and Cost Commission may not implement the provisions of § 19-1509(b) of the Health - General Article before January 1, 1998; and

(2) If the Maryland Health Care Access and Cost Commission decides to implement the provisions of § 19-1509(b) of the Health - General Article, the Maryland Health Care Access and Cost Commission, in accordance with § 10-111 of the State Government Article, shall submit for emergency adoption proposed regulations that would carry out the provisions of §19-1509(b) of the Health - General Article on or before January 1, 1999.”.

AMENDMENT NO. 5

On page 12, before line 37, insert:

“SECTION 7. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of Section 1 of this Act and Article 48A, § 698A of the Code, Article 48A, Subtitle 55 of the Code does not apply to the renewal of any health benefit plan that was issued prior to June 1, 1997 to a self-employed individual by an authorized insurer that does not have any health benefit plan in force on or after June 1, 1997 that provides coverage to a small employer (as that term is defined in Section 2 of Chapter 9 of the Acts of the General Assembly of 1993), and any renewal of such plan is not a renewal of a health benefit plan providing coverage to a small employer for any purpose under Article 48A, Subtitle 55 of the Code.

SECTION 8. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of Section 2 of this Act and § 15-1202 of the Insurance Article, Title 15, Subtitle 12 of the Insurance Article does not apply to the renewal of any health benefit plan that was issued prior to October 1, 1997 to a self-employed individual by an authorized insurer that does not have any health benefit plan in force on or after October 1, 1997 that provides coverage to a small employer (as that term is defined in Section 2 of Chapter 9 of the Acts of the General Assembly of 1993 and revised and reenacted under Chapter \_\_\_\_\_ (H.B. 11) of the Acts of the General Assembly of 1997), and any renewal of such plan is not a renewal of a health benefit plan providing coverage to a small employer for any purpose under Title 15, Subtitle 12 of the Insurance Article.”;

in line 37, strike “6.” and substitute “9.”; in the same line, strike “Section 3” and substitute “Sections 3 and 8”; and in line 38, strike “July” and substitute “June”.

On page 13, in line 1, strike “7.” and substitute “10.”; and in the same line, strike “Section 3” and substitute “Sections 3 and 8”.