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**By: Delegates Hurson, Goldwater, Shriver, Marriott, Conroy, Love, Bonsack, Barve, and Healey**

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Children's Health Insurance Assistance Program**

3 FOR the purpose of establishing a Children's Health Insurance Assistance Program to  
4 provide insurance coverage for certain uninsured needy and low-income children;  
5 establishing a Children's Health Insurance Assistance Program Advisory Council;  
6 specifying the membership, terms, and duties of the Advisory Council; altering the  
7 tobacco tax rate; altering a certain discount provision under the tobacco tax;  
8 requiring the State Comptroller to distribute a portion of the tobacco tax revenues  
9 to a special fund to be used only for certain purposes; establishing a Children's  
10 Health Insurance Assistance Fund; specifying the purpose and use of the Fund;  
11 providing for certain grants to be made to certain entities from funds in the Fund in  
12 order to provide health insurance coverage to uninsured needy and low-income  
13 children under certain circumstances; prohibiting the unspent portions of the Fund  
14 to revert to the General Fund of the State; establishing a Children's Health  
15 Insurance Assistance Program Management Team; specifying the membership and  
16 duties of the Management Team; requiring the Management Team to consider  
17 certain factors when making grants to entities; specifying the requirements that  
18 entities that receive grants under this Act must satisfy, including offering a certain  
19 minimum benefit package; specifying the duties of the Department of Health and  
20 Mental Hygiene and the Insurance Administration under this Act; requiring certain  
21 insurers, nonprofit health service plans, and health maintenance organizations to  
22 submit certain applications to the Insurance Administration related to participating  
23 in the Program and providing health insurance to uninsured needy and low-income  
24 children under certain circumstances; requiring the Management Team to conduct a  
25 certain review and study of the Program; specifying the intent of this Act; defining  
26 certain terms; and generally relating to the Children's Health Insurance Assistance  
27 Program.

28 BY adding to

29 Article - Health - General  
30 Section 15-501 through 15-515, inclusive, to be under the new subtitle "Subtitle 5.  
31 Children's Health Insurance Assistance Program"  
32 Annotated Code of Maryland  
33 (1994 Replacement Volume and 1996 Supplement)

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1 BY adding to  
2 Article - Health - General  
3 Section 19-706(n)  
4 Annotated Code of Maryland  
5 (1996 Replacement Volume and 1996 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - General  
8 Section 2-1603 and 12-105  
9 Annotated Code of Maryland  
10 (1988 Volume and 1996 Supplement)

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

13 **Article - Health - General**

14 SUBTITLE 5. CHILDREN'S HEALTH INSURANCE ASSISTANCE PROGRAM.

15 15-501.

16 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
17 INDICATED.

18 (B) "ADMINISTRATION" MEANS THE INSURANCE ADMINISTRATION.

19 (C) "CHILD" MEANS AN INDIVIDUAL UNDER THE AGE OF 13 YEARS, EXCEPT  
20 AS PROVIDED IN § 15-509 OF THIS SUBTITLE.

21 (D) "COUNCIL" MEANS THE CHILDREN'S HEALTH INSURANCE ASSISTANCE  
22 PROGRAM ADVISORY COUNCIL.

23 (E) "FUND" MEANS THE CHILDREN'S HEALTH INSURANCE ASSISTANCE FUND.

24 (F) "GRANTEE" MEANS AN ENTITY SELECTED BY THE MANAGEMENT TEAM  
25 TO RECEIVE A GRANT UNDER THIS SUBTITLE.

26 (G) (1) "HEALTH CARE PROVIDER" MEANS:

27 (I) AN INDIVIDUAL WHO IS LICENSED, CERTIFIED, OR OTHERWISE  
28 AUTHORIZED UNDER THE HEALTH OCCUPATIONS ARTICLE TO PROVIDE HEALTH  
29 CARE IN THE ORDINARY COURSE OF BUSINESS OR PRACTICE OF A PROFESSION OR  
30 IN AN APPROVED EDUCATION OR TRAINING PROGRAM; OR

31 (II) A FACILITY WHERE HEALTH CARE IS PROVIDED TO PATIENTS  
32 OR RECIPIENTS, INCLUDING A FACILITY AS DEFINED IN § 10-101(E) OF THIS ARTICLE,  
33 A HOSPITAL AS DEFINED IN § 19-301(F) OF THIS ARTICLE, A RELATED INSTITUTION  
34 AS DEFINED IN § 19-301(L) OF THIS ARTICLE, A HEALTH MAINTENANCE  
35 ORGANIZATION AS DEFINED IN § 19-701(E) OF THIS ARTICLE, AN OUTPATIENT  
36 CLINIC, AND A MEDICAL LABORATORY.

3

1 (2) "HEALTH CARE PROVIDER" INCLUDES THE AGENTS AND  
2 EMPLOYEES OF A FACILITY WHO ARE LICENSED OR OTHERWISE AUTHORIZED TO  
3 PROVIDE HEALTH CARE, THE OFFICERS AND DIRECTORS OF A FACILITY, AND THE  
4 AGENTS AND EMPLOYEES OF A HEALTH CARE PROVIDER WHO ARE LICENSED OR  
5 OTHERWISE AUTHORIZED TO PROVIDE HEALTH CARE.

6 (H) "HEALTH CARE SERVICE" MEANS ANY HEALTH OR MEDICAL CARE  
7 PROCEDURE OR SERVICE RENDERED BY A HEALTH CARE PROVIDER THAT:

8 (1) PROVIDES TESTING, DIAGNOSIS, OR TREATMENT OF HUMAN  
9 DISEASE OR DYSFUNCTION; OR

10 (2) DISPENSES DRUGS, MEDICAL DEVICES, MEDICAL APPLIANCES, OR  
11 MEDICAL GOODS FOR THE TREATMENT OF HUMAN DISEASE OR DYSFUNCTION.

12 (I) "MANAGEMENT TEAM" MEANS THE CHILDREN'S HEALTH INSURANCE  
13 ASSISTANCE PROGRAM MANAGEMENT TEAM.

14 (J) "MIDLEVEL HEALTH PROFESSIONAL" MEANS:

15 (1) A PHYSICIAN ASSISTANT;

16 (2) A CERTIFIED NURSE PRACTITIONER; OR

17 (3) A CERTIFIED NURSE MIDWIFE.

18 (K) "SPENDDOWN" MEANS A QUALIFYING PROCEDURE FOR MEDICAL  
19 ASSISTANCE.

20 (L) "PROGRAM" MEANS THE CHILDREN'S HEALTH INSURANCE ASSISTANCE  
21 PROGRAM.

22 15-502.

23 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

24 (1) ALL MARYLAND CITIZENS SHOULD HAVE ACCESS TO AFFORDABLE  
25 AND REASONABLY PRICED HEALTH CARE;

26 (2) THE UNINSURED POPULATION OF THIS STATE IS ESTIMATED TO BE  
27 650,000, AND MANY THOUSANDS MORE LACK ADEQUATE INSURANCE COVERAGE;

28 (3) A LARGE PERCENTAGE OF THE UNINSURED ARE CHILDREN;

29 (4) UNINSURED CHILDREN LACK ACCESS TO TIMELY AND  
30 APPROPRIATE PRIMARY AND PREVENTIVE HEALTH CARE SERVICES;

31 (5) ELIGIBLE CHILDREN IN THIS STATE SHOULD HAVE ACCESS TO  
32 COST-EFFECTIVE, COMPREHENSIVE PRIMARY HEALTH COVERAGE IF THEY ARE  
33 UNABLE TO AFFORD COVERAGE OR OBTAIN IT;

34 (6) CARE SHOULD BE PROVIDED IN APPROPRIATE SETTINGS BY  
35 EFFICIENT PROVIDERS, CONSISTENT WITH HIGH QUALITY CARE AND AT AN  
36 APPROPRIATE STAGE, SOON ENOUGH TO AVERT THE NEED FOR OVERLY  
37 EXPENSIVE TREATMENT; AND

4

1 (7) EQUITY SHOULD BE ASSURED AMONG HEALTH CARE PROVIDERS  
2 AND PAYORS BY PROVIDING A MECHANISM FOR HEALTH CARE PROVIDERS,  
3 EMPLOYERS, THE PUBLIC SECTOR, AND PATIENTS TO SHARE IN FINANCING  
4 INDIGENT CHILDREN'S HEALTH CARE.

5 15-503.

6 (A) THERE IS A CHILDREN'S HEALTH INSURANCE ASSISTANCE PROGRAM.

7 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE ACCESS AND  
8 APPROPRIATE PRIMARY AND PREVENTIVE HEALTH CARE SERVICES TO ELIGIBLE  
9 UNINSURED CHILDREN.

10 15-504.

11 (A) THERE IS A CHILDREN'S HEALTH INSURANCE ASSISTANCE PROGRAM  
12 ADVISORY COUNCIL ESTABLISHED IN THE DEPARTMENT.

13 (B) THE ADVISORY COUNCIL:

14 (1) SHALL REVIEW AND COMMENT AND MAY MAKE  
15 RECOMMENDATIONS TO THE ADMINISTRATION ON ANY OUTREACH PLAN  
16 SUBMITTED BY POTENTIAL GRANTEEES, AS SPECIFIED IN § 15-514 OF THIS SUBTITLE;  
17 AND

18 (2) IN CONJUNCTION WITH THE DEPARTMENT, SHALL REVIEW AND  
19 EVALUATE THE ACCESSIBILITY AND AVAILABILITY OF SERVICES DELIVERED TO  
20 CHILDREN ENROLLED IN THE PROGRAM.

21 (C) (1) THE ADVISORY COUNCIL SHALL CONSIST OF NO MORE THAN 12  
22 VOTING MEMBERS.

23 (2) EXCEPT AS PROVIDED IN SUBSECTION (D)(1) THROUGH (5) OF THIS  
24 SECTION, MEMBERS OF THE ADVISORY COUNCIL SHALL BE APPOINTED BY THE  
25 SECRETARY AND SERVE A TERM OF 3 YEARS.

26 (3) IN MAKING APPOINTMENTS TO THE ADVISORY COUNCIL, THE  
27 SECRETARY SHALL PROVIDE FOR CONTINUITY AND ROTATION.

28 (D) THE MEMBERS OF THE ADVISORY COUNCIL SHALL INCLUDE:

29 (1) ONE MEMBER OF THE SENATE OF MARYLAND EX OFFICIO,  
30 APPOINTED BY THE PRESIDENT OF THE SENATE;

31 (2) ONE MEMBER OF THE HOUSE OF DELEGATES EX OFFICIO,  
32 APPOINTED BY THE SPEAKER OF THE HOUSE;

33 (3) THE SECRETARY EX OFFICIO OR THE SECRETARY'S DESIGNEE;

34 (4) THE INSURANCE COMMISSIONER EX OFFICIO OR THE  
35 COMMISSIONER'S DESIGNEE;

36 (5) THE SECRETARY OF HUMAN RESOURCES EX OFFICIO OR THE  
37 SECRETARY'S DESIGNEE;

5

1 (6) A REPRESENTATIVE WITH EXPERIENCE IN CHILDREN'S HEALTH  
2 FROM A SCHOOL OF MEDICINE IN THE STATE;

3 (7) A REPRESENTATIVE OF A CHILDREN'S HOSPITAL OR A HOSPITAL  
4 WITH A PEDIATRIC OUTPATIENT CLINIC APPOINTED FROM A LIST OF THREE  
5 INDIVIDUALS SUBMITTED BY THE MARYLAND HOSPITAL ASSOCIATION;

6 (8) A PARENT OF A CHILD WHO IS ELIGIBLE TO RECEIVE OR RECEIVES  
7 PRIMARY HEALTH CARE COVERAGE FROM THE FUND; AND

8 (9) A MIDDLELEVEL HEALTH PROFESSIONAL APPOINTED FROM LISTS  
9 SUBMITTED BY STATEWIDE ASSOCIATIONS THAT REPRESENT MIDDLELEVEL HEATH  
10 PROFESSIONALS.

11 (E) ALL INITIAL APPOINTMENTS TO THE ADVISORY COUNCIL SHALL BE  
12 MADE ON OR BEFORE JULY 1, 1998.

13 (F) THE SECRETARY SHALL APPOINT THE CHAIRMAN OF THE ADVISORY  
14 COUNCIL.

15 (G) (1) THE ADVISORY COUNCIL SHALL MEET AT THE TIMES AND PLACES IT  
16 CONSIDERS NECESSARY.

17 (2) THE PRESENCE OF SEVEN MEMBERS OF THE ADVISORY COUNCIL  
18 SHALL CONSTITUTE A QUORUM.

19 (3) ANY ACT OR VOTE TAKEN BY A MAJORITY OF THE MEMBERS OF THE  
20 ADVISORY COUNCIL PRESENT AT A MEETING SHALL BE DEEMED TO BE THAT OF  
21 THE FULL ADVISORY COUNCIL.

22 (H) A MEMBER OF THE ADVISORY COUNCIL:

23 (1) MAY NOT RECEIVE COMPENSATION; BUT

24 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE  
25 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

26 15-505.

27 (A) THERE IS A CHILDREN'S HEALTH INSURANCE ASSISTANCE FUND.

28 (B) THE FUND SHALL BE DEDICATED EXCLUSIVELY FOR THE DISTRIBUTION  
29 OF GRANTS BY THE MANAGEMENT TEAM TO ENTITIES FOR THE PROVISION OF FREE  
30 AND SUBSIDIZED HEALTH CARE SERVICES TO ELIGIBLE CHILDREN IN ACCORDANCE  
31 WITH THIS SUBTITLE.

32 (C) THE FUND IS A CONTINUING, NONLAPSING SPECIAL FUND THAT CONSISTS  
33 OF THE TOBACCO TAX REVENUE DISTRIBUTED TO THE FUND UNDER § 2-1603 OF  
34 THE TAX - GENERAL ARTICLE AND ANY EARNINGS OF THE FUND.

35 (D) THE SECRETARY SHALL ADMINISTER THE FUND.

36 (E) THE STATE TREASURER SHALL HOLD AND THE STATE COMPTROLLER  
37 SHALL ACCOUNT FOR THE FUND.

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1 (F) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME MANNER  
2 AS OTHER STATE FUNDS AND ANY INVESTMENT EARNINGS OF THE FUND SHALL  
3 ACCRUE TO THE FUND.

4 (G) THE FUND SHALL BE MAINTAINED AND USED FOR THE PURPOSES  
5 STATED IN § 15-507 OF THIS SUBTITLE AND UNSPENT PORTIONS OF THE FUND SHALL  
6 REMAIN IN THE FUND AND MAY NOT REVERT TO THE GENERAL FUND OF THE  
7 STATE.

8 15-506.

9 ANNUALLY, THE MANAGEMENT TEAM SHALL SOLICIT APPLICATIONS FOR  
10 GRANTS TO BE MADE IN ACCORDANCE WITH THIS SUBTITLE AND IN ACCORDANCE  
11 WITH THE FOLLOWING:

12 (1) TO THE FULLEST EXTENT PRACTICABLE, GRANTS SHALL BE MADE  
13 TO APPLICANTS THAT CONTRACT WITH HEALTH CARE PROVIDERS TO PROVIDE  
14 HEALTH CARE SERVICES FOR ENROLLEES ON A COST-EFFECTIVE BASIS; AND

15 (2) TO THE FULLEST EXTENT PRACTICABLE, THE MANAGEMENT TEAM  
16 SHALL ENSURE THAT ANY GRANTEE THAT DETERMINES THAT A CHILD IS NOT  
17 ELIGIBLE BECAUSE THE CHILD IS ELIGIBLE FOR MEDICAL ASSISTANCE UNDER  
18 SUBTITLE 1 OF THIS TITLE PROVIDE IN WRITING TO THE FAMILY OF THE CHILD THE  
19 TELEPHONE NUMBER OF THE LOCAL DEPARTMENT OF SOCIAL SERVICES WHERE  
20 THE FAMILY CAN APPLY FOR MEDICAL ASSISTANCE.

21 15-507.

22 (A) (1) ALL GRANTS MADE UNDER THIS SUBTITLE SHALL BE ON AN  
23 EQUITABLE BASIS AND SHALL BE BASED ON THE NUMBER OF ELIGIBLE CHILDREN  
24 ENROLLED IN THE PROGRAM OR THE NUMBER OF ELIGIBLE CHILDREN  
25 ANTICIPATED TO BE ENROLLED IN THE PROGRAM.

26 (2) THE MANAGEMENT TEAM SHALL USE ITS BEST EFFORTS TO  
27 PROVIDE GRANTS TO ENSURE THAT ELIGIBLE CHILDREN THROUGHOUT THE STATE  
28 HAVE ACCESS TO HEALTH CARE SERVICES TO BE PROVIDED IN ACCORDANCE WITH  
29 THIS SUBTITLE.

30 (3) (I) AN ENTITY THAT RECEIVES A GRANT UNDER THIS SUBTITLE  
31 MAY NOT USE ANY MORE THAN 7.5% OF THE GRANT AMOUNT FOR ITS  
32 ADMINISTRATIVE EXPENSES.

33 (II) IF, AFTER THE FIRST 3 FULL YEARS OF PROGRAM OPERATION,  
34 A GRANTEE PRESENTS DOCUMENTED EVIDENCE THAT ITS ADMINISTRATIVE  
35 EXPENSES ARE IN EXCESS OF 7.5% OF THE GRANT AMOUNT, THE MANAGEMENT  
36 TEAM MAY MAKE AN ADDITIONAL ALLOTMENT OF FUNDS, NOT TO EXCEED 2.5% OF  
37 THE GRANT, FOR FUTURE ADMINISTRATIVE EXPENSES TO THE GRANTEE TO THE  
38 EXTENT THAT THE MANAGEMENT TEAM FINDS THE EXPENSES REASONABLE AND  
39 NECESSARY.

40 (B) AT LEAST 70% OF THE MONEYS DISTRIBUTED TO THE FUND SHALL BE  
41 USED TO PROVIDE THE HEALTH CARE SERVICES PROVIDED UNDER THIS SUBTITLE

7  
1 FOR CHILDREN ELIGIBLE FOR FREE HEALTH INSURANCE UNDER § 15-509(A) OF THIS  
2 SUBTITLE.

3 (C) (1) TO ENSURE THAT INPATIENT HOSPITAL CARE IS PROVIDED TO  
4 ELIGIBLE CHILDREN, EACH PRIMARY CARE PROVIDER PROVIDING PRIMARY CARE  
5 SERVICES SHALL:

6 (I) MAKE NECESSARY ARRANGEMENTS FOR ADMISSION TO THE  
7 HOSPITAL AND FOR NECESSARY SPECIALTY CARE FOR A CHILD NEEDING THE  
8 CARE; AND

9 (II) CONTINUE TO CARE FOR THE CHILD AS A MEDICAL  
10 ASSISTANCE PROVIDER IN THE HOSPITAL, AS APPROPRIATE.

11 (2) WHEN APPROPRIATE, THE GRANTEE, THE ENROLLEE, AND THE  
12 HOSPITAL SHALL INITIATE APPLICATIONS FOR MEDICAL ASSISTANCE FOR  
13 INPATIENT HOSPITAL CARE THROUGH SPENDDOWN.

14 (3) PAYMENTS MADE UNDER THIS SUBSECTION SHALL BE:

15 (I) LIMITED TO THE AMOUNT BY WHICH THE CHILD'S FAMILY  
16 INCOME EXCEEDS THE MEDICALLY NEEDY INCOME LEVEL, ALSO KNOWN AS THE  
17 SPENDDOWN AMOUNT, UNDER MEDICAL ASSISTANCE; AND

18 (II) CONSIDERED REIMBURSEMENT OF COSTS FOR PURPOSES OF  
19 MEDICAL ASSISTANCE AS PROVIDED IN SUBTITLE 1 OF THIS TITLE.

20 15-508.

21 AN ENTITY THAT RECEIVES GRANT FUNDS FROM THE MANAGEMENT TEAM  
22 UNDER THIS SUBTITLE TO PROVIDE HEALTH INSURANCE COVERAGE IN  
23 ACCORDANCE WITH THIS SUBTITLE:

24 (1) TO THE EXTENT THAT FUNDS ARE AVAILABLE, SHALL ENROLL ANY  
25 CHILD WHO MEETS ALL OF THE FOLLOWING:

26 (I) EXCEPT FOR NEWBORNS, HAS BEEN A RESIDENT OF THE STATE  
27 FOR AT LEAST 30 DAYS PRIOR TO ENROLLMENT;

28 (II) IS NOT COVERED BY A HEALTH INSURANCE PLAN, A  
29 SELF-INSURANCE PLAN, OR A SELF-FUNDED PLAN OR IS ELIGIBLE FOR OR  
30 COVERED BY MEDICAL ASSISTANCE;

31 (III) IS QUALIFIED BASED ON INCOME UNDER § 15-509 OF THIS  
32 SUBTITLE; AND

33 (IV) HAS NOT REFUSED TO COOPERATE WITH THE GRANTEE OR  
34 THE HOSPITAL AS PROVIDED IN § 15-507(C) OF THIS SUBTITLE;

35 (2) MAY NOT DENY ENROLLMENT OF A CHILD ON THE BASIS OF A  
36 PREEXISTING CONDITION OR EXCLUDE DIAGNOSIS OR TREATMENT OF A  
37 CONDITION BASED ON THE CONDITION'S PREEXISTENCE; AND

8

1 (3) MAY NOT PAY ANY CLAIM ON BEHALF OF AN ENROLLED CHILD  
2 UNLESS ALL OTHER FEDERAL, STATE, LOCAL, OR PRIVATE RESOURCES AVAILABLE  
3 TO THE CHILD OR THE CHILD'S FAMILY HAVE BEEN UTILIZED FIRST.

4 15-509.

5 (A) THE PROVISION OF HEALTH INSURANCE FOR ELIGIBLE CHILDREN SHALL  
6 BE FREE TO A CHILD UNDER THE AGE OF 6 YEARS WHOSE FAMILY INCOME IS NO  
7 GREATER THAN 185% OF THE FEDERAL POVERTY LEVEL AND SHALL BE FREE TO A  
8 CHILD 6 YEARS OF AGE BUT LESS THAN THE MAXIMUM PROGRAM AGE WHOSE  
9 FAMILY INCOME IS NO GREATER THAN 100% OF THE FEDERAL POVERTY LEVEL,  
10 WHERE THE MAXIMUM PROGRAM AGE SHALL BE:

11 (1) 13 YEARS OF AGE FOR THE PERIOD ENDING SEPTEMBER 30, 1998;

12 (2) 14 YEARS OF AGE FOR THE PERIOD ENDING SEPTEMBER 30, 1999;

13 (3) 15 YEARS OF AGE FOR THE PERIOD ENDING SEPTEMBER 30, 2000;

14 (4) 16 YEARS OF AGE FOR THE PERIOD ENDING SEPTEMBER 30, 2001;

15 AND

16 (5) 17 YEARS OF AGE THEREAFTER.

17 (B) (1) THE PROVISION OF HEALTH INSURANCE FOR AN ELIGIBLE CHILD  
18 WHO IS UNDER THE AGE OF 6 YEARS AND WHOSE FAMILY INCOME IS GREATER  
19 THAN 185% OF THE FEDERAL POVERTY LEVEL BUT NO GREATER THAN 235% OF THE  
20 FEDERAL POVERTY LEVEL MAY BE SUBSIDIZED BY THE FUND AT A RATE NOT  
21 EXCEEDING 50% OF THE PREMIUM.

22 (2) THE DIFFERENCE BETWEEN THE PURE PREMIUM OF THE MINIMUM  
23 BENEFIT PACKAGE IN § 15-513(A)(7) OF THIS SUBTITLE AND THE SUBSIDY PROVIDED  
24 UNDER THIS SECTION SHALL BE THE AMOUNT PAID BY THE FAMILY OF THE  
25 ELIGIBLE CHILD PURCHASING THE MINIMUM BENEFIT PACKAGE.

26 (C) THE FAMILY OF AN ELIGIBLE CHILD WHOSE FAMILY INCOME MAKES THE  
27 CHILD ELIGIBLE FOR FREE OR SUBSIDIZED HEALTH INSURANCE, BUT WHO CANNOT  
28 RECEIVE THE INSURANCE BECAUSE OF THE LACK OF FUNDS IN THE FUND MAY  
29 PURCHASE HEALTH INSURANCE COVERAGE FOR THE CHILD AT COST.

30 15-510.

31 (A) (1) THERE IS A CHILDREN'S HEALTH INSURANCE ASSISTANCE  
32 PROGRAM MANAGEMENT TEAM.

33 (2) THE MANAGEMENT TEAM SHALL BE COMPRISED OF:

34 (I) THE SECRETARY OR THE SECRETARY'S DESIGNEE;

35 (II) THE SECRETARY OF BUDGET AND MANAGEMENT OR THE  
36 SECRETARY'S DESIGNEE; AND

37 (III) THE INSURANCE COMMISSIONER OR THE COMMISSIONER'S  
38 DESIGNEE.

9

1 (B) THE MANAGEMENT TEAM SHALL:

2 (1) PREPARE AND APPROVE A BUDGET FOR THE PROGRAM USING THE  
3 AMOUNTS DISTRIBUTED TO THE FUND IN ACCORDANCE WITH § 2-1603 OF THE TAX -  
4 GENERAL ARTICLE, ANY EARNINGS OF THE FUND, AND ANY FEDERAL OR PRIVATE  
5 FUNDS DESIGNATED FOR THE FUND;

6 (2) EXECUTE CONTRACTS RELATED TO EXPANDING ACCESS TO  
7 HEALTH CARE SERVICES FOR ELIGIBLE CHILDREN AS PROVIDED IN THIS SUBTITLE;

8 (3) TO RECEIVE NECESSARY FUNDS FOR THE OPERATION OF THE  
9 ADVISORY COUNCIL AND THE MANAGEMENT TEAM, SUBMIT A REQUEST FOR AN  
10 APPROPRIATION FROM THE FUND THROUGH THE ANNUAL BUDGET BILL OR BY  
11 BUDGET AMENDMENT; AND

12 (4) ADOPT REGULATIONS THAT ARE NECESSARY TO CARRY OUT THE  
13 PROVISIONS OF THIS SUBTITLE.

14 15-511.

15 (A) THE ADMINISTRATION SHALL:

16 (1) ANNUALLY APPROVE INSURANCE RATES REQUESTS OF ANY  
17 GRANTEE FOR THE COVERAGE OF HEALTH CARE SERVICES SPECIFIED UNDER THIS  
18 SUBTITLE;

19 (2) REVIEW AND APPROVE ALL CONTRACTS EXECUTED FOR THE  
20 PURPOSE OF EXPANDING ACCESS TO HEALTH CARE SERVICES FOR ELIGIBLE  
21 CHILDREN AS PROVIDED IN THIS SUBTITLE;

22 (3) CONDUCT MONITORING AND OVERSIGHT OF ANY CONTRACTS  
23 ENTERED INTO; AND

24 (4) ISSUE AN ANNUAL REPORT TO THE GOVERNOR AND, SUBJECT TO §  
25 2-1312 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY FOR EACH  
26 FISCAL YEAR THAT:

27 (I) OUTLINES THE PRIMARY HEALTH CARE SERVICES FUNDED  
28 FOR THE YEAR;

29 (II) DETAILS THE OUTREACH AND ENROLLMENT EFFORTS BY  
30 EACH GRANTEE; AND

31 (III) REPORTS BY COUNTY:

32 1. THE NUMBER OF CHILDREN RECEIVING HEALTH CARE  
33 SERVICES FROM THE FUND;

34 2. THE PROJECTED NUMBER OF ELIGIBLE CHILDREN; AND

35 3. THE NUMBER OF ELIGIBLE CHILDREN ON WAITING LISTS  
36 FOR HEALTH CARE SERVICES.

37 (B) THE DEPARTMENT SHALL:

10

1 (1) PROVIDE STAFF TO THE ADVISORY COUNCIL TO ASSIST THE  
2 ADVISORY COUNCIL IN CARRYING OUT ITS DUTIES UNDER THIS SUBTITLE;

3 (2) COORDINATE AND SUPERVISE THE ENROLLMENT OUTREACH  
4 ACTIVITIES OF GRANTEEES RELATED TO THE PROGRAM; AND

5 (3) MONITOR, REVIEW, AND EVALUATE THE ADEQUACY,  
6 ACCESSIBILITY, AND AVAILABILITY OF SERVICES DELIVERED TO CHILDREN WHO  
7 ARE ENROLLED IN THE PROGRAM IN ACCORDANCE WITH THIS SUBTITLE.

8 15-512.

9 (A) THIS SECTION APPLIES TO:

10 (1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE  
11 INPATIENT HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR  
12 GROUPS ON AN EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE POLICIES  
13 OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

14 (2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE  
15 INPATIENT HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR  
16 GROUPS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.

17 (B) ON OR BEFORE JULY 1, 1998, EACH ENTITY SUBJECT TO THIS SECTION  
18 SHALL APPLY TO THE ADMINISTRATION FOR FUNDS FROM THE FUND TO CARRY  
19 OUT THE PURPOSES OF THIS SUBTITLE TO SERVE THE AREAS IN WHICH THE ENTITY  
20 IS DOING BUSINESS.

21 (C) THE ADMINISTRATION SHALL MAKE A COPY OF AND FORWARD TO THE  
22 ADVISORY COUNCIL ALL RELEVANT INFORMATION AND DATA FILED BY AN ENTITY  
23 SUBJECT TO THIS SECTION, OR BY ANY OTHER GRANTEE, AS PART OF AN  
24 INSURANCE RATE FILING FOR PROGRAMS RECEIVING GRANTS UNDER THIS  
25 SUBTITLE.

26 15-513.

27 (A) ANY GRANTEE WITH WHICH THE ADMINISTRATION CONTRACTS TO  
28 PROVIDE HEALTH INSURANCE COVERAGE TO ELIGIBLE CHILDREN UNDER THIS  
29 SUBTITLE SHALL PERFORM THE FOLLOWING:

30 (1) ENSURE TO THE MAXIMUM EXTENT POSSIBLE THAT ELIGIBLE  
31 CHILDREN HAVE ACCESS TO PRIMARY CARE PHYSICIANS, NURSE PRACTITIONERS,  
32 AND ANY OTHER MIDLEVEL HEATH PROFESSIONALS ON AN EQUITABLE STATEWIDE  
33 BASIS;

34 (2) CONTRACT WITH QUALIFIED, COST-EFFECTIVE HEALTH CARE  
35 PROVIDERS, WHICH MAY INCLUDE PRIMARY CARE PROVIDERS, NURSE  
36 PRACTITIONERS, CLINICS, AND HEALTH MAINTENANCE ORGANIZATIONS, TO  
37 PROVIDE PRIMARY AND PREVENTIVE HEALTH CARE FOR ENROLLEES ON A BASIS  
38 BEST CALCULATED TO MANAGE THE COSTS OF THE SERVICES, INCLUDING USING  
39 MANAGED HEALTH CARE TECHNIQUES AND OTHER APPROPRIATE MEDICAL COST  
40 MANAGEMENT METHODS;

11

1 (3) ENSURE THAT THE FAMILY OF A CHILD WHO MAY BE ELIGIBLE FOR  
2 MEDICAL ASSISTANCE RECEIVES ASSISTANCE IN APPLYING FOR MEDICAL  
3 ASSISTANCE, INCLUDING, AT A MINIMUM, WRITTEN NOTICE OF THE TELEPHONE  
4 NUMBER AND ADDRESS OF THE LOCAL DEPARTMENT OF SOCIAL SERVICES WHERE  
5 THE FAMILY CAN APPLY FOR MEDICAL ASSISTANCE;

6 (4) MAINTAIN WAITING LISTS OF CHILDREN FINANCIALLY ELIGIBLE  
7 FOR BENEFITS WHO HAVE APPLIED FOR BENEFITS, BUT WHO WERE NOT ENROLLED  
8 DUE TO THE LACK OF FUNDS;

9 (5) STRONGLY ENCOURAGE ALL HEALTH CARE PROVIDERS WHO  
10 PROVIDE PRIMARY CARE TO ELIGIBLE CHILDREN TO PARTICIPATE IN MEDICAL  
11 ASSISTANCE AS QUALIFIED EPSDT PROVIDERS AND TO CONTINUE TO PROVIDE  
12 CARE TO CHILDREN WHO BECOME INELIGIBLE FOR PAYMENT UNDER THE FUND,  
13 BUT WHO QUALIFY FOR MEDICAL ASSISTANCE;

14 (6) REPORT ANNUALLY TO THE MANAGEMENT TEAM, AND SUBJECT TO  
15 § 2-1312 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY BY  
16 COUNTY AND BY HEALTH CARE PROVIDER TYPE ON THE NUMBER OF PRIMARY  
17 CARE PROVIDERS PROVIDING PRIMARY CARE TO ELIGIBLE CHILDREN;

18 (7) PROVIDE THE FOLLOWING MINIMUM BENEFIT PACKAGE FOR  
19 ELIGIBLE CHILDREN:

20 (I) PREVENTIVE CARE;

21 (II) DIAGNOSIS AND TREATMENT OF ILLNESS AND INJURY,  
22 INCLUDING ALL MEDICALLY NECESSARY HEALTH CARE SERVICES RELATED TO THE  
23 DIAGNOSIS AND TREATMENT OF SICKNESS AND INJURY AND OTHER CONDITIONS  
24 PROVIDED ON AN AMBULATORY BASIS, SUCH AS LABORATORY TESTS, WOUND  
25 DRESSING AND CASTING TO IMMOBILIZE FRACTURES;

26 (III) INJECTIONS AND MEDICATIONS PROVIDED AT THE TIME OF AN  
27 OFFICE VISIT OR THERAPY;

28 (IV) OUTPATIENT SURGERY PERFORMED IN AN OFFICE, HOSPITAL,  
29 OR FREESTANDING AMBULATORY CARE FACILITY, INCLUDING ANESTHESIA  
30 PROVIDED IN CONJUNCTION WITH SUCH SERVICE OR DURING EMERGENCY  
31 MEDICAL SERVICE;

32 (V) EMERGENCY ACCIDENT AND EMERGENCY MEDICAL CARE;

33 (VI) EMERGENCY, PREVENTIVE, AND ROUTINE DENTAL CARE;

34 (VII) EMERGENCY, PREVENTIVE, AND ROUTINE VISION CARE,  
35 INCLUDING THE COST OF CORRECTIVE LENSES AND FRAMES, NOT TO EXCEED TWO  
36 PRESCRIPTIONS PER YEAR;

37 (VIII) EMERGENCY, PREVENTIVE, AND ROUTINE HEARING CARE;

38 (IX) INPATIENT HOSPITALIZATION UP TO 90 DAYS PER YEAR FOR  
39 ELIGIBLE CHILDREN WHO CANNOT QUALIFY THROUGH SPENDDOWN PROVISIONS  
40 FOR BENEFITS UNDER THE MEDICAL ASSISTANCE PROGRAM; AND

12

1 (X) THE SPENDDOWN AMOUNT AS PROVIDED FOR IN § 15-507(C) OF  
2 THIS SUBTITLE; AND

3 (8) PROVIDE AN INSURANCE IDENTIFICATION CARD TO EACH ELIGIBLE  
4 CHILD COVERED UNDER THE PROGRAM FOR WHOM THE GRANTEE IS RECEIVING  
5 GRANTS TO PROVIDE HEALTH INSURANCE FROM THE FUND.

6 (B) THE DEPARTMENT MAY GRANT A WAIVER OF THE MINIMUM BENEFIT  
7 PACKAGE DESCRIBED UNDER SUBSECTION (A)(7) OF THIS SECTION IF THE  
8 APPLICANT DEMONSTRATES TO THE DEPARTMENT THAT IT IS PROVIDING HEALTH  
9 CARE SERVICES FOR ELIGIBLE CHILDREN THAT MEET THE PURPOSES AND INTENT  
10 OF THIS SUBTITLE.

11 15-514.

12 (A) ANY ENTITY SEEKING FUNDING FROM THE FUND FOR PROVIDING  
13 SERVICES UNDER THIS SUBTITLE:

14 (1) SHALL PROVIDE NOT LESS THAN 2.5% OF THE GRANT AWARD IN  
15 IN-KIND SERVICES FOR OUTREACH; AND

16 (2) AS PART OF ITS APPLICATION TO THE MANAGEMENT TEAM FOR A  
17 GRANT, SHALL SUBMIT AN OUTREACH PLAN AIMED AT ENROLLING ELIGIBLE  
18 CHILDREN IN THE PROGRAM.

19 (B) THE OUTREACH PLAN SHALL INCLUDE PROVISIONS FOR:

20 (1) REACHING SPECIAL POPULATIONS, INCLUDING NONWHITE AND  
21 NON-ENGLISH SPEAKING CHILDREN AND CHILDREN WITH DISABILITIES;

22 (2) REACHING DIFFERENT GEOGRAPHIC AREAS, INCLUDING RURAL  
23 AND INNER-CITY AREAS; AND

24 (3) ASSURING THAT SPECIAL EFFORTS ARE COORDINATED WITHIN THE  
25 OVERALL OUTREACH ACTIVITIES THROUGHOUT THE STATE.

26 (C) (1) THE ADVISORY COUNCIL SHALL REVIEW EACH OUTREACH PLAN  
27 AND PERIODICALLY REVIEW THE PERFORMANCE OF THE ENTITIES IN CARRYING  
28 OUT THE OUTREACH PLAN AND MAKE RECOMMENDATIONS FOR CHANGES TO THE  
29 OUTREACH PLAN AS IT DEEMS IN THE BEST INTERESTS OF THE CHILDREN TO BE  
30 SERVED.

31 (2) OUTREACH ACTIVITIES SHALL BE CONTINUED AS LONG AS THE  
32 FUND IS IN EXISTENCE.

33 (3) IN NO INSTANCE SHALL AN ENTITY BE REQUIRED TO PROVIDE IN  
34 EXCESS OF 2.5% OF THE GRANT AWARD IN IN-KIND SERVICES FOR OUTREACH.

35 (D) IN CONJUNCTION WITH GRANTEES, THE ADMINISTRATION, THE STATE  
36 DEPARTMENT OF EDUCATION, THE DEPARTMENT OF HUMAN RESOURCES, AND THE  
37 DEPARTMENT, THE ADVISORY COUNCIL SHALL SEEK FUNDING FROM PRIVATE  
38 FOUNDATIONS, FEDERAL AGENCIES, AND ANY OTHER FUNDING SOURCES FOR THE  
39 DEVELOPMENT AND IMPLEMENTATION OF OUTREACH PLANS.

13

1 15-515.

2 (A) (1) AFTER THE FIRST YEAR OF THE PROGRAM'S OPERATION, AND EACH  
3 YEAR THEREAFTER, THE MANAGEMENT TEAM SHALL REVIEW AND STUDY  
4 ENROLLMENT PATTERNS FOR BOTH THE FREE HEALTH INSURANCE PROGRAM AND  
5 THE SUBSIDIZED HEALTH INSURANCE PROGRAM.

6 (2) THE MANAGEMENT TEAM SHALL CONSIDER THE RELATIONSHIP, IF  
7 ANY, AMONG ENROLLMENT, ENROLLMENT FEES, INCOME LEVELS, AND FAMILY  
8 COMPOSITION.

9 (B) BASED ON THE RESULTS OF THE REVIEW AND STUDY COMPLETED  
10 UNDER SUBSECTION (A) OF THIS SECTION AND THE AVAILABILITY OF FUNDS, THE  
11 MANAGEMENT TEAM BY REGULATION MAY ADJUST THE MAXIMUM INCOME  
12 CEILING FOR FREE HEALTH INSURANCE AND THE MAXIMUM INCOME CEILING FOR  
13 SUBSIDIZED HEALTH INSURANCE.

14 19-706.

15 (N) THE PROVISIONS OF TITLE 15, SUBTITLE 5 OF THIS ARTICLE SHALL APPLY  
16 TO HEALTH MAINTENANCE ORGANIZATIONS.

17 **Article - Tax - General**

18 2-1603.

19 (A) [After] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,  
20 AFTER making the distributions required under §§ 2-1601 and 2-1602 of this subtitle, the  
21 Comptroller shall distribute the remaining tobacco tax revenue to the General Fund of  
22 the State.

23 (B) (1) BEFORE MAKING THE DISTRIBUTION REQUIRED UNDER  
24 SUBSECTION (A) OF THIS SECTION, THE COMPTROLLER SHALL DISTRIBUTE TO A  
25 SPECIAL FUND 100% OF THE ADDITIONAL TOBACCO TAX REVENUES RESULTING  
26 FROM THE INCREASE IN THE TOBACCO TAX RATE UNDER CHAPTER \_\_\_\_ OF THE  
27 ACTS OF THE GENERAL ASSEMBLY OF 1997 (H.B.\_\_\_\_) (7LR1622), AS DETERMINED BY  
28 THE COMPTROLLER, INCLUDING THE REVENUES ATTRIBUTABLE TO THE "FLOOR  
29 TAX" REQUIREMENT UNDER SECTION 2 OF THAT ACT.

30 (2) FUNDS DISTRIBUTED TO THE SPECIAL FUND UNDER PARAGRAPH (1)  
31 OF THIS SUBSECTION SHALL BE CREDITED TO THE CHILDREN'S HEALTH INSURANCE  
32 ASSISTANCE FUND ESTABLISHED UNDER § 15-505 OF THE HEALTH - GENERAL  
33 ARTICLE.

34 12-105.

35 The tobacco tax rate is:

36 (1) [18] 20 cents for each package of 10 or fewer cigarettes;

37 (2) [36] 40 cents for each package of at least 11 and not more than 20  
38 cigarettes;

14

1 (3) [1.8] 2.0 cents for each cigarette in a package of more than 20  
2 cigarettes; and

3 (4) [1.8] 2.0 cents for each cigarette in a package of free sample cigarettes.

4 SECTION 2. AND BE IT FURTHER ENACTED, That all cigarettes used,  
5 possessed, or held in the State of Maryland by any person for sale or use in the State of  
6 Maryland shall be subject to the full tobacco tax imposed by this Act. This requirement  
7 includes: (1) cigarettes in vending machines or other mechanical dispensers; and (2)  
8 cigarettes (generally referred to as "floor stock") in packages, which already bear stamps  
9 issued by the Comptroller under the State Tobacco Tax Act, but for an amount less than  
10 the full tax imposed of 20 cents for each 10 cigarettes or fractional part thereof; all  
11 cigarettes held for sale by a person in the State of Maryland on and after October 1, 1997,  
12 which bear a tax stamp issued by the Comptroller of a value of less than 40 cents for each  
13 pack of 20 cigarettes, must be stamped with the additional stamps necessary to make the  
14 aggregate value equal to 40 cents. The Comptroller may provide an alternative method of  
15 collecting the additional tax. The revenue attributable to this requirement shall be  
16 remitted to the State Comptroller's Office by January 1, 1998. Except as provided above,  
17 on and after October 1, 1997, no Maryland stamp shall be used except the stamp issued by  
18 the Comptroller to evidence the tobacco tax of 40 cents imposed by this Act.

19 SECTION 3. AND BE IT FURTHER ENACTED, That in no case shall the total  
20 amount of annual grant awards authorized under Title 15, Subtitle 5 of the Health -  
21 General Article, as enacted by Section 1 of this Act, exceed the amount of cigarette tax  
22 revenues annually distributed into the Children's Health Insurance Assistance Fund as  
23 required under § 2-1603 of the Tax - General Article and any other federal or private  
24 funds received through the Fund. In addition, the provision of children's health care  
25 through the operation of the Fund shall in no way constitute an entitlement derived from  
26 the State or a claim on any other funds of the State.

27 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 1997.