

HOUSE BILL 4
EMERGENCY BILL

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1998 Regular Session
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(PRE-FILED)

By: **Delegates Hurson, Taylor, Guns, Busch, Rosenberg, Dewberry, Rawlings, Curran, Vallario, Hixson, Harrison, Menes, Kopp, Arnick, Owings, W. Baker, Barve, Benson, Billings, Bobo, Bonsack, Bozman, Branch, E. Burns, Cadden, Clagett, Conroy, Conway, C. Davis, Dembrow, Doory, Dypski, Finifter, Franchot, Frank, Frush, Fulton, Genn, Goldwater, Gordon, Grosfeld, Hammen, Healey, Hecht, Heller, Howard, Jones, Krysiak, Linton, Love, Malone, Mandel, Marriott, McIntosh, Minnick, Morhaim, Muse, Nathan-Pulliam, Opara, Palumbo, Patterson, Pendergrass, Perry, Petzold, Pitkin, Poole, Proctor, Rudolph, Shriver, Slade, Turner, Valderrama, Weir, Wood, and ~~Workman~~ Workman, DeCarlo, Donoghue, McHale, Miller, Boston, Crumlin, Kirk, Eckardt, Mohorovic, Stup, Ciliberti, Klausmeier, and D. Hughes D. Hughes, Hubbard, B. Hughes, and Exum**

Requested: November 15, 1997

Introduced and read first time: January 14, 1998

Assigned to: Environmental Matters and Economic Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 19, 1998

CHAPTER _____

1 AN ACT concerning

2 **Children and Families First Health Care Act of 1998**

3 FOR the purpose of establishing the Children and Families Health Care Program
4 under which certain individuals who meet certain family income standards
5 would be eligible for certain health benefits either through an employer
6 sponsored health benefit plan or through the Maryland Medical Assistance
7 Program benefits; altering the eligibility requirements for certain individuals
8 under the Children and Families Health Care Program; requiring the ~~Secretary~~
9 Department of Health and Mental Hygiene to provide presumptive expedited
10 eligibility to certain individuals under certain circumstances; permitting certain
11 enrollees of certain programs to have guaranteed eligibility for a certain time;
12 transferring responsibility for the enrollment of eligible individuals into the
13 Maryland Medical Assistance Program from the Department of Health and
14 Mental Hygiene to the Maryland Health Care Foundation; requiring the
15 ~~Foundation~~ the Department to establish a certain school-based enrollment

1 program; requiring ~~the Foundation~~ the Department to develop certain outreach
2 and enrollment options; providing that abortion services under the Children and
3 Families Health Care Program shall be made available only in accordance with
4 certain federal law; requiring the Foundation to develop certain options and
5 strategies through the use of certain demonstration projects for the purpose of
6 expanding the availability of health insurance coverage to certain individuals
7 who meet certain family income standards; requiring the Foundation to submit
8 an annual report to certain persons in regard to the demonstration projects;
9 requiring the Secretary to seek a certain waiver; requiring Secretary to solicit
10 invitations from managed care organizations to participate in the managed care
11 program and award participation on a competitive basis; establishing certain
12 guidelines for terminating employer sponsored health insurance; requiring that
13 after the Governor appoints the initial members of the Board of Trustees for the
14 Health Care Foundation, subsequent trustees shall be elected by the board
15 members; providing for the appointment, compensation, and duties of an
16 Executive Director for the Foundation; requiring certain entities to conduct a
17 certain study and to provide recommendations in a report to the General
18 Assembly on certain dates; authorizing the Department to establish certain
19 regulations for the imposition of premiums; requiring managed care
20 organizations participating in the managed care program to provide information
21 to the Department and the Foundation on the cost of premiums for a certain
22 health benefit package that would cover a family with dependents; requiring
23 insurers and nonprofit health service plans that issue or deliver group or
24 blanket health insurance policies to provide enrollment information for the
25 Children and Families Health Care Program; ~~requiring the Department and the~~
26 Foundation to enter into a certain memorandum of understanding; requiring
27 certain funds to be transferred to a certain account for a certain purpose;
28 requiring the Foundation to submit a certain report by a certain date;
29 prohibiting an agent, broker, or insurer from referring an employee or a
30 dependent of an employee to the Children and Families Health Care Program or
31 arranging for an employee or a dependent of an employee to apply to the
32 Children and Families Health Care Program under certain circumstances;
33 providing the construction of certain provisions of this Act; providing for the
34 termination of ~~a certain provision of this Act;~~ certain provisions of this Act;
35 requiring the Department to seek approval from the federal Health Care
36 Financing Administration for a tax credit program; providing for certain funds
37 to be included in the budget for the Foundation; making this Act an emergency
38 measure; providing for the effective date of certain provisions of this Act;
39 altering a certain definition; defining certain terms; and generally relating to
40 establishing the Children and Families Health Care Program.

41 BY renumbering

42 Article - Health - General

43 Section 15-301 and the subtitle "Subtitle 3. Evaluation and Planning Services"

44 to be Section 15-501 and the subtitle "Subtitle 5. Evaluation and Planning
45 Services"

46 Annotated Code of Maryland

1 (1994 Replacement Volume and 1997 Supplement)

2 BY repealing and reenacting, with amendments,

3 Article - Health - General

4 Section 15-101 and 15-103

5 Annotated Code of Maryland

6 (1994 Replacement Volume and 1997 Supplement)

7 BY adding to

8 Article - Health - General

9 Section 15-301 through ~~15-304~~ 15-305, inclusive, to be under the new subtitle
10 "Subtitle 3. Children and Families Health Care Program"

11 Annotated Code of Maryland

12 (1994 Replacement Volume and 1997 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article - Health - General

15 Section ~~20-506~~ ~~15-601~~, 20-504, 20-505, and 20-506

16 Annotated Code of Maryland

17 (1996 Replacement Volume and 1997 Supplement)

18 BY adding to

19 Article - Insurance

20 Section 15-124 and 27-220

21 Annotated Code of Maryland

22 (1997 Volume)

23 BY repealing and reenacting, with amendments,

24 Article - State Government

25 Section 15-601

26 Annotated Code of Maryland

27 (1995 Replacement Volume and 1997 Supplement)

28 BY repealing and reenacting, with amendments,

29 Article - Health - General

30 Section 15-301

31 Annotated Code of Maryland

32 (1994 Replacement Volume and 1997 Supplement)

33 (As enacted by Section 3 of this Act)

34 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

35 MARYLAND, That Section(s) 15-301 and the subtitle "Subtitle 3. Evaluation and

36 Planning Services" of Article - Health - General of the Annotated Code of Maryland

1 be renumbered to be Section(s) 15-501 and the subtitle "Subtitle 5. Evaluation and
2 Planning Services".

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

5 **Article - Health - General**

6 15-101.

7 (a) In this title the following words have the meanings indicated.

8 (b) "Enrollee" means a program recipient who is enrolled in a managed care
9 organization.

10 (c) "Facility" means a hospital or nursing facility including an intermediate
11 care facility, skilled nursing facility, comprehensive care facility, or extended care
12 facility.

13 (D) "FOUNDATION" MEANS THE MARYLAND HEALTH CARE FOUNDATION
14 ESTABLISHED UNDER TITLE 20, SUBTITLE 5 OF THIS ARTICLE.

15 (E) "HEALTH MAINTENANCE ORGANIZATION" HAS THE MEANING STATED IN §
16 19-701 OF THIS ARTICLE.

17 [(d)] (F) (1) "Historic provider" means a health care provider, as defined in §
18 19-1501 of this article who, on or before June 30, 1995, had a demonstrated history of
19 providing services to program recipients, as defined by the Department in
20 regulations.

21 (2) "Historic provider", to the extent the provider meets the
22 requirements in paragraph (1) of this subsection, shall include:

23 (i) A federal or State qualified community health center;

24 (ii) A provider with a program for the training of health care
25 professionals, including an academic medical center;

26 (iii) A hospital outpatient program, physician, or advanced practice
27 nurse that is a Maryland Access to Care (MAC) provider;

28 (iv) A local health department;

29 (v) A hospice, as defined in Title 19, Subtitle 9 of this article;

30 (vi) A pharmacy; and

31 (vii) Any other historic provider designated in accordance with
32 regulations adopted by the Department.

33 [(e)] (G) "Managed care organization" means:

1 (1) A certified health maintenance organization that is authorized to
2 receive medical assistance prepaid capitation payments; or

3 (2) A corporation that:

4 (i) Is a managed care system that is authorized to receive medical
5 assistance prepaid capitation payments;

6 (ii) Enrolls only program recipients OR INDIVIDUALS OR FAMILIES
7 SERVED UNDER THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM; and

8 (iii) Is subject to the requirements of § 15-102.4 of this title.

9 [(f)] (H) "Ombudsman program" means a program that assists enrollees in
10 resolving disputes with managed care organizations in a timely manner and that is
11 responsible, at a minimum, for the following functions:

12 (1) Investigating disputes between enrollees and managed care
13 organizations referred by the enrollee hotline;

14 (2) Reporting to the Department:

15 (i) The resolution of all disputes;

16 (ii) A managed care organization's failure to meet the Department's
17 requirements; and

18 (iii) Any other information specified by the Department;

19 (3) Educating enrollees about:

20 (i) The services provided by the enrollee's managed care
21 organization; and

22 (ii) The enrollee's rights and responsibilities in receiving services
23 from the managed care organization; and

24 (4) Advocating on behalf of the enrollee before the managed care
25 organization, including assisting the enrollee in using the managed care
26 organization's grievance process.

27 [(g)] (I) "Primary mental health services" means the clinical evaluation and
28 assessment of services needed by an individual and the provision of services or
29 referral for additional services as deemed medically appropriate by a primary care
30 provider.

31 [(h)] (J) "Program" means the Maryland Medical Assistance Program.

32 [(i)] (K) "Program recipient" means an individual who receives benefits under
33 the Program.

1 [(j)] (L) "Specialty mental health services" means any mental health services
2 other than primary mental health services.

3 15-103.

4 (a) (1) The Secretary shall administer the Maryland Medical Assistance
5 Program.

6 (2) The Program:

7 (i) Subject to the limitations of the State budget, shall provide
8 comprehensive medical and other health care services for indigent individuals or
9 medically indigent individuals or both;

10 (ii) Shall provide, subject to the limitations of the State budget,
11 comprehensive medical and other health care services for all eligible pregnant women
12 ~~and, at a minimum, all children currently under the age of 1 whose family income~~
13 ~~falls below 185~~ WHOSE FAMILY INCOME IS AT OR BELOW 200 percent of the poverty
14 level, as permitted by the federal law;

15 (III) SHALL PROVIDE, SUBJECT TO THE LIMITATIONS OF THE STATE
16 BUDGET, COMPREHENSIVE MEDICAL AND OTHER HEALTH CARE SERVICES FOR ALL
17 ELIGIBLE CHILDREN CURRENTLY UNDER THE AGE OF 1 WHOSE FAMILY INCOME
18 FALLS BELOW 185 PERCENT OF THE POVERTY LEVEL, AS PERMITTED BY FEDERAL
19 LAW;

20 ~~(iii)~~ (IV) Shall provide, subject to the limitations of the State
21 budget, family planning services to women currently eligible for comprehensive
22 medical care and other health care under item (ii) of this paragraph for 5 years after
23 the second month following the month in which the woman delivers her child;

24 ~~(iv)~~ (V) Shall provide, subject to the limitations of the State
25 budget, comprehensive medical and other health care services for all children from
26 the age of 1 year up through and including the age of 5 years whose family income
27 falls below 133 percent of the poverty level, as permitted by the federal law;

28 ~~(v)~~ (VI) Shall provide, subject to the limitations of the State
29 budget, comprehensive medical care and other health care services for all children
30 born after September 30, 1983 who are at least 6 years of age but are under 19 years
31 of age whose family income falls below 100 percent of the poverty level, as permitted
32 by federal law;

33 ~~(vi)~~ (VII) Shall provide, subject to the limitations of the State
34 budget, comprehensive medical care and other health care services for all legal
35 immigrants who meet Program eligibility standards and who arrived in the United
36 States before August 22, 1996, the effective date of the federal Personal Responsibility
37 and Work Opportunity Reconciliation Act, as permitted by federal law;

38 ~~(vii)~~ (VIII) Shall provide, subject to the limitations of the State
39 budget and any other requirements imposed by the State, comprehensive medical

1 care and other health care services for all legal immigrant children under the age of
 2 18 years and pregnant women who meet Program eligibility standards and who
 3 arrived in the United States on or after August 22, 1996, the effective date of the
 4 federal Personal Responsibility and Work Opportunity Reconciliation Act;

5 ~~(viii)~~ (IX) May include bedside nursing care for eligible Program
 6 recipients; and

7 ~~(ix)~~ (X) Shall provide services in accordance with funding
 8 restrictions included in the annual State budget bill.

9 (3) Subject to restrictions in federal law or waivers, the Department may
 10 impose cost-sharing on Program recipients.

11 (4) (I) TO THE EXTENT ALLOWED UNDER FEDERAL LAW AND
 12 REGULATIONS, THE SECRETARY SHALL IMPLEMENT ~~PRESUMPTIVE EXPEDITED~~
 13 ELIGIBILITY FOR ANY CHILD WHO APPLIES FOR THE PROGRAM UNDER THIS SECTION
 14 OR FOR THE PROGRAM UNDER § 15-301 OF THIS TITLE.

15 (II) THE SECRETARY SHALL ADOPT REGULATIONS TO ESTABLISH
 16 STANDARDS AND PROCEDURES FOR THE DESIGNATION OF ORGANIZATIONS, SUCH AS
 17 FEDERALLY QUALIFIED COMMUNITY HEALTH CENTERS AND DISPROPORTIONATE
 18 SHARE HOSPITALS, AS QUALIFIED ENTITIES TO GRANT ~~PRESUMPTIVE EXPEDITED~~
 19 ELIGIBILITY.

20 (III) IN DEVELOPING THE REGULATIONS REQUIRED UNDER
 21 SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE SECRETARY SHALL ENSURE THE
 22 REPRESENTATION OF STATEWIDE AND LOCAL ORGANIZATIONS THAT PROVIDE
 23 SERVICES TO CHILDREN OF ALL AGES IN EACH REGION OF THE STATE.

24 (IV) THE SECRETARY SHALL PROVIDE QUALIFIED ENTITIES:

25 1. WITH FORMS THAT ARE NECESSARY FOR PARENTS,
 26 GUARDIANS, AND OTHER INDIVIDUALS TO SUBMIT APPLICATIONS TO THE ~~PROGRAM~~
 27 ~~PROGRAMS~~ ON BEHALF OF A CHILD; AND

28 2. INFORMATION ON HOW TO ASSIST PARENTS, GUARDIANS,
 29 AND OTHER INDIVIDUALS IN COMPLETING AND FILING SUCH APPLICATIONS.

30 (b) (1) ~~(F)~~ As permitted by federal law or waiver, the Secretary may
 31 establish a program under which Program recipients are required to enroll in
 32 managed care organizations.

33 ~~(H) THE DEPARTMENT SHALL SOLICIT INVITATIONS FOR BIDS AND~~
 34 ~~AWARD CONTRACTS WITH MANAGED CARE ORGANIZATIONS TO PROVIDE THE~~
 35 ~~BENEFITS REQUIRED UNDER THE PROGRAM ESTABLISHED UNDER SUBPARAGRAPH~~
 36 ~~(I) OF THIS PARAGRAPH IN ACCORDANCE WITH THE PROVISIONS OF DIVISION II OF~~
 37 ~~THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

1 (2) (i) The benefits required by the program developed under
2 paragraph (1) of this subsection shall be adopted by regulation and shall be
3 equivalent to the benefit level required by the Maryland Medical Assistance Program
4 on January 1, 1996.

5 (ii) Subject to the limitations of the State budget and as permitted
6 by federal law or waiver, the Department shall provide reimbursement for medically
7 necessary and appropriate inpatient, intermediate care, and halfway house substance
8 abuse treatment services for substance abusing enrollees 21 years of age or older who
9 are recipients of temporary cash assistance under the Family Investment Program.

10 (iii) Each managed care organization participating in the program
11 developed under paragraph (1) of this subsection shall provide or arrange for the
12 provision of the benefits described in subparagraph (ii) of this paragraph.

13 (iv) Nothing in this paragraph may be construed to prohibit a
14 managed care organization from offering additional benefits, if the managed care
15 organization is not receiving capitation payments based on the provision of the
16 additional benefits.

17 (3) Subject to the limitations of the State budget and as permitted by
18 federal law or waiver, the program developed under paragraph (1) of this subsection
19 AND THE PROGRAM DEVELOPED UNDER § 15-301 OF THIS TITLE may provide
20 guaranteed eligibility for each enrollee for up to 6 months, unless an enrollee obtains
21 health insurance through another source.

22 (4) (i) The Secretary may exclude specific populations or services from
23 the program developed under paragraph (1) of this subsection.

24 (ii) For any populations or services excluded under this paragraph,
25 the Secretary may authorize a managed care organization, to provide the services or
26 provide for the population, including authorization of a separate dental managed care
27 organization or a managed care organization to provide services to Program
28 recipients with special needs.

29 (5) (i) Except for a service excluded by the Secretary under paragraph
30 (4) of this subsection, each managed care organization shall provide all the benefits
31 required by regulations adopted under paragraph (2) of this subsection.

32 (ii) For a population or service excluded by the Secretary under
33 paragraph (4) of this subsection, the Secretary may authorize a managed care
34 organization to provide only for that population or provide only that service.

35 (iii) A managed care organization may subcontract specified
36 required services to a health care provider that is licensed or authorized to provide
37 those services.

38 (6) Except for the Program of All-inclusive Care for the Elderly ("PACE")
39 Program, the Secretary may not include the long-term care population or long-term
40 care services in the program developed under paragraph (1) of this subsection.

1 (7) The program developed under paragraph (1) of this subsection shall
2 ensure that enrollees have access to a pharmacy that:

3 (i) Is licensed in the State; and

4 (ii) Is within a reasonable distance from the enrollee's residence.

5 (8) For cause, the Department may disenroll enrollees from a managed
6 care organization and enroll them in another managed care organization.

7 (9) Each managed care organization shall:

8 (i) Have a quality assurance program in effect which is subject to
9 the approval of the Department and which, at a minimum:

10 1. Complies with any health care quality improvement
11 system developed by the Health Care Financing Administration;

12 2. Complies with the quality requirements of applicable
13 State licensure laws and regulations;

14 3. Complies with practice guidelines and protocols specified
15 by the Department;

16 4. Provides for an enrollee grievance system, including an
17 enrollee hotline;

18 5. Provides a provider grievance system;

19 6. Provides for enrollee and provider satisfaction surveys, to
20 be taken at least annually;

21 7. Provides for a consumer advisory board to receive regular
22 input from enrollees;

23 8. Provides for an annual consumer advisory board report to
24 be submitted to the Secretary; and

25 9. Complies with specific quality, access, data, and
26 performance measurements adopted by the Department for treating enrollees with
27 special needs;

28 (ii) Submit to the Department:

29 1. Service-specific data by service type in a format to be
30 established by the Department; and

31 2. Utilization and outcome reports, such as the Health Plan
32 Employer Data and Information Set (HEDIS), as directed by the Department;

- 1 (iii) Promote timely access to and continuity of health care services
2 for enrollees;
- 3 (iv) Demonstrate organizational capacity to provide special
4 programs, including outreach, case management, and home visiting, tailored to meet
5 the individual needs of all enrollees;
- 6 (v) Provide assistance to enrollees in securing necessary health
7 care services;
- 8 (vi) Provide or assure alcohol and drug abuse treatment for
9 substance abusing pregnant women and all other enrollees of managed care
10 organizations who require these services;
- 11 (vii) Educate enrollees on health care prevention and good health
12 habits;
- 13 (viii) Assure necessary provider capacity in all geographic areas
14 under contract;
- 15 (ix) Be accountable and hold its subcontractors accountable for
16 standards established by the Department and, upon failure to meet those standards,
17 be subject to one or more of the following penalties:
- 18 1. Fines;
- 19 2. Suspension of further enrollments;
- 20 3. Withholding of all or part of the capitation payment;
- 21 4. Termination of the contract;
- 22 5. Disqualification from future participation in the Program;
23 and
- 24 6. Any other penalties that may be imposed by the
25 Department;
- 26 (x) Subject to applicable federal and State law, include incentives
27 for enrollees to comply with provisions of the managed care organization;
- 28 (xi) Provide or arrange to provide primary mental health services;
- 29 (xii) Provide or arrange to provide all Medicaid-covered services
30 required to comply with State statutes and regulations mandating health and mental
31 health services for children in State supervised care:
- 32 1. According to standards set by the Department; and
- 33 2. Locally, to the extent the services are available locally;

1 (xiii) Submit to the Department aggregate information from the
2 quality assurance program, including complaints and resolutions from the enrollee
3 and provider grievance systems, the enrollee hotline, and enrollee satisfaction
4 surveys;

5 (xiv) Maintain as part of the enrollee's medical record the following
6 information:

7 1. The basic health risk assessment conducted on
8 enrollment;

9 2. Any information the managed care organization receives
10 that results from an assessment of the enrollee conducted for the purpose of any early
11 intervention, evaluation, planning, or case management program;

12 3. Information from the local department of social services
13 regarding any other service or benefit the enrollee receives, including assistance or
14 benefits under Article 88A of the Code; and

15 4. Any information the managed care organization receives
16 from a school-based clinic, a core services agency, a local health department, or any
17 other person that has provided health services to the enrollee; and

18 (xv) Upon provision of information specified by the Department
19 under paragraph (19) of this subsection, pay school-based clinics for services provided
20 to the managed care organization's enrollees.

21 (10) The Department shall adopt regulations that assure that managed
22 care organizations employ appropriate personnel to:

23 (i) Assure that individuals with special needs obtain needed
24 services; and

25 (ii) Coordinate those services.

26 (11) (i) A managed care organization shall reimburse a hospital
27 emergency facility and provider for:

28 1. Health care services that meet the definition of emergency
29 services in § 19-701 of this article;

30 2. Medical screening services rendered to meet the
31 requirements of the federal Emergency Medical Treatment and Active Labor Act;

32 3. Medically necessary services if the managed care
33 organization authorized, referred, or otherwise allowed the enrollee to use the
34 emergency facility and the medically necessary services are related to the condition
35 for which the enrollee was allowed to use the emergency facility; and

1 (14) (i) Except as provided in subparagraph (iii) of this paragraph, the
2 Department shall delegate responsibility for maintaining the ombudsman program
3 for a county to that county's local health department on the request of the local health
4 department.

5 (ii) A local health department may not subcontract the ombudsman
6 program.

7 (iii) Before the Department delegates responsibility to a local health
8 department to maintain the ombudsman program for a county, a local health
9 department that is also a Medicaid provider must receive the approval of the
10 Secretary and the local governing body.

11 (15) A managed care organization may not:

12 (i) Without authorization by the Department ~~OR THE~~
13 ~~FOUNDATION~~, enroll an individual who at the time is a Program recipient; or

14 (ii) Have face-to-face or telephone contact, or otherwise solicit
15 with an individual who at the time is a Program recipient before the Program
16 recipient enrolls in the managed care organization unless:

17 1. Authorized by the Department ~~OR THE FOUNDATION~~; or

18 2. The Program recipient initiates contact.

19 (16) (i) ~~{The Department} AS PROVIDED IN § 15-302 OF THIS TITLE,~~
20 ~~THE FOUNDATION~~ shall be responsible for enrolling Program recipients into managed
21 care organizations.

22 (ii) The ~~{Department} FOUNDATION~~ may contract with an entity to
23 perform the enrollment function.

24 (iii) The ~~{Department} FOUNDATION~~ or its enrollment contractor
25 shall administer a health risk assessment developed by the Department to ensure
26 that individuals who need special or immediate health care services will receive the
27 services on a timely basis.

28 (iv) The ~~{Department} FOUNDATION~~ or its enrollment contractor:

29 1. May administer the health risk assessment only after the
30 Program recipient has chosen a managed care organization; and

31 2. Shall forward the results of the health risk assessment to
32 the managed care organization chosen by the Program recipient within 5 business
33 days.

34 (17) For a managed care organization with which the Secretary contracts
35 to provide services to Program recipients under this subsection, the Secretary shall
36 establish a mechanism to initially assure that each historic provider that meets the

1 Department's quality standards has the opportunity to continue to serve Program
2 recipients as a subcontractor of at least one managed care organization.

3 (18) (i) The Department shall make capitation payments to each
4 managed care organization as provided in this paragraph.

5 (ii) In consultation with the Insurance Commissioner, the Secretary
6 shall:

7 1. Set capitation payments at a level that is actuarially
8 adjusted to the benefits provided; and

9 2. Actuarially adjust the capitation payments to reflect the
10 relative risk assumed by the managed care organization.

11 (19) (i) School-based clinics and managed care organizations shall
12 collaborate to provide continuity of care to enrollees.

13 (ii) School-based clinics shall be defined by the Department in
14 consultation with the State Department of Education.

15 (iii) Each managed care organization shall require a school-based
16 clinic to provide to the managed care organization certain information, as specified by
17 the Department, about an encounter with an enrollee of the managed care
18 organization prior to paying the school-based clinic.

19 (iv) Upon receipt of information specified by the Department, the
20 managed care organization shall pay, at Medicaid-established rates, school-based
21 clinics for covered services provided to enrollees of the managed care organization.

22 (v) The Department shall work with managed care organizations
23 and school-based clinics to develop collaboration standards, guidelines, and a process
24 to assure that the services provided are covered and medically appropriate and that
25 the process provides for timely notification among the parties.

26 (vi) Each managed care organization shall maintain records of all
27 health care services:

28 1. Provided to its enrollees by school-based clinics; and

29 2. For which the managed care organization has been billed.

30 (20) The Department shall establish standards for the timely delivery of
31 services to enrollees.

32 (21) (i) The Department shall establish a delivery system for specialty
33 mental health services for enrollees of managed care organizations.

34 (ii) The Mental Hygiene Administration shall:

35 1. Design and monitor the delivery system;

1 1. Without cause in the month following the anniversary
2 date of the enrollee's enrollment; and

3 2. For cause, at any time as determined by the Secretary.

4 (24) {The Department or its subcontractor, to the extent feasible in its
5 marketing or enrollment programs, shall hire individuals receiving assistance under
6 the program of Aid to Families with Dependent Children established under Title IV,
7 Part A, of the Social Security Act, or the successor to the program.

8 (25)} The Department shall disenroll an enrollee who is a child in
9 State-supervised care if the child is transferred to an area outside of the territory of
10 the managed care organization.

11 {(26)} ~~(25)~~ The Secretary shall adopt regulations to implement the
12 provisions of this section.

13 {(27)} ~~(26)~~ (i) The Department shall establish the Maryland Medicaid
14 Advisory Committee, composed of no more than 25 members, the majority of whom
15 are enrollees or enrollee advocates.

16 (ii) The Committee members shall include:

17 1. Current or former enrollees or the parents or guardians of
18 current or former enrollees;

19 2. Providers who are familiar with the medical needs of
20 low-income population groups, including board-certified physicians;

21 3. Hospital representatives;

22 4. Advocates for the Medicaid population, including
23 representatives of special needs populations;

24 5. Two members of the Finance Committee of the Senate of
25 Maryland, appointed by the President of the Senate; and

26 6. Three members of the Maryland House of Delegates,
27 appointed by the Speaker of the House.

28 (iii) A designee of each of the following shall serve as an ex-officio
29 member of the Committee:

30 1. The Secretary of Human Resources;

31 2. The Executive Director of the Maryland Health Care
32 Access and Cost Commission; and

33 3. The Maryland Association of County Health Officers.

1 (iv) In addition to any duties imposed by federal law and regulation,
2 the Committee shall:

3 1. Advise the Secretary on the implementation, operation,
4 and evaluation of managed care programs under this section;

5 2. Review and make recommendations on the regulations
6 developed to implement managed care programs under this section;

7 3. Review and make recommendations on the standards used
8 in contracts between the Department and managed care organizations;

9 4. Review and make recommendations on the Department's
10 oversight of quality assurance standards;

11 5. Review data collected by the Department from managed
12 care organizations participating in the Program and data collected by the Maryland
13 Health Care Access and Cost Commission;

14 6. Promote the dissemination of managed care organization
15 performance information, including loss ratios, to enrollees in a manner that
16 facilitates quality comparisons and uses layman's language;

17 7. Assist the Department in evaluating the enrollment
18 process;

19 8. Review reports of the ombudsmen; and

20 9. Publish and submit an annual report to the Governor and,
21 subject to § 2-1246 of the State Government Article, the General Assembly.

22 (v) Except as specified in subparagraphs (ii) and (iii) of this
23 paragraph, the members of the Maryland Medicaid Advisory Committee shall be
24 appointed by the Secretary and serve for a 4-year term.

25 (vi) In making appointments to the Committee, the Secretary shall
26 provide for continuity and rotation.

27 (vii) The Secretary shall appoint the chairman of the Committee.

28 (viii) The Secretary shall appoint nonvoting members from managed
29 care organizations who may participate in Committee meetings, unless the
30 Committee meets in closed session as provided in § 10-508 of the State Government
31 Article.

32 (ix) The Committee shall determine the times and places of its
33 meetings.

34 (x) A member of the Committee:

35 1. May not receive compensation; but

1 (E) EACH MANAGED CARE ORGANIZATION UNDER CONTRACT WITH THE
 2 DEPARTMENT TO PROVIDE SERVICES TO ENROLLEES UNDER SUBSECTION (B) OF
 3 THIS SECTION SHALL SUBMIT TO THE DEPARTMENT AND TO THE FOUNDATION
 4 INFORMATION ON THE COST OF PREMIUMS TO COVER A FAMILY WITH DEPENDENTS
 5 UNDER A HEALTH BENEFIT PACKAGE THAT:

6 (1) SATISFIES THE REQUIREMENTS UNDER FEDERAL LAW OR
 7 REGULATION FOR PURPOSES OF RECEIVING FEDERAL REIMBURSEMENT; AND

8 (2) IS SUBSTANTIALLY EQUIVALENT TO THE BENEFITS OFFERED IN THE
 9 COMPREHENSIVE STANDARD HEALTH BENEFIT PLAN ADOPTED BY THE HEALTH
 10 CARE ACCESS AND COST COMMISSION UNDER TITLE 19, SUBTITLE 15 OF THIS
 11 ARTICLE AND § 15-1207 OF THE INSURANCE ARTICLE.

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

14 Article - Health - General

15 SUBTITLE 3. CHILDREN AND FAMILIES HEALTH CARE PROGRAM.

16 15-301.

17 (A) ~~THE DEPARTMENT SHALL ESTABLISH THE CHILDREN AND FAMILIES~~
 18 ~~HEALTH CARE PROGRAM.~~

19 (B) ~~THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM SHALL PROVIDE,~~
 20 ~~SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET AND ANY OTHER~~
 21 ~~REQUIREMENTS IMPOSED BY THE STATE AND AS PERMITTED BY FEDERAL LAW OR~~
 22 ~~WAIVER, COMPREHENSIVE MEDICAL CARE AND OTHER HEALTH CARE SERVICES TO~~
 23 ~~CHILDREN FROM BIRTH TO THE AGE OF 19 YEARS OF AGE WHOSE FAMILY INCOME IS~~
 24 ~~AT OR BELOW 185% OF THE FEDERAL POVERTY LEVEL.~~

25 (C) ~~SUBJECT TO FEDERAL LAW OR WAIVER, TO THE EXTENT POSSIBLE AND IF~~
 26 ~~IS COST EFFECTIVE, THE DEPARTMENT SHALL ENDEAVOR TO SERVE THOSE~~
 27 ~~PROGRAM RECIPIENTS, WHO QUALIFY FOR THE CHILDREN AND FAMILIES HEALTH~~
 28 ~~CARE PROGRAM UNDER THIS SECTION, THROUGH THE USE OF THE HEALTH~~
 29 ~~INSURANCE PURCHASING CREDIT MECHANISM ESTABLISHED UNDER § 15-304 OF~~
 30 ~~THIS SUBTITLE IF THE PROGRAM RECIPIENT IS A MEMBER OF A FAMILY THAT HAS~~
 31 ~~ACCESS TO AFFORDABLE AND COMPREHENSIVE EMPLOYER-BASED DEPENDENT~~
 32 ~~COVERAGE.~~

33 (A) IN THIS SECTION, "CARRIER" MEANS:

34 (1) AN INSURER;

35 (2) A NONPROFIT SERVICE PLAN;

36 (3) A HEALTH MAINTENANCE ORGANIZATION; OR

1 (4) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS
2 SUBJECT TO REGULATION BY THE STATE.

3 (B) THERE IS A CHILDREN AND FAMILIES HEALTH CARE PROGRAM.

4 (C) THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM SHALL PROVIDE,
5 SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET AND ANY OTHER
6 REQUIREMENTS IMPOSED BY THE STATE AND AS PERMITTED BY FEDERAL LAW OR
7 WAIVER, COMPREHENSIVE MEDICAL CARE AND OTHER HEALTH CARE SERVICES TO
8 AN INDIVIDUAL WHO HAS A FAMILY INCOME AT OR BELOW 200 PERCENT OF THE
9 FEDERAL POVERTY LEVEL AND WHO IS UNDER THE AGE OF 19 YEARS.

10 (D) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, THE
11 CHILDREN AND FAMILIES HEALTH CARE PROGRAM SHALL BE ADMINISTERED
12 THROUGH THE PROGRAM DEVELOPED UNDER SUBTITLE 1 OF THIS TITLE REQUIRING
13 INDIVIDUALS TO ENROLL IN MANAGED CARE ORGANIZATIONS.

14 (E) (1) IF AN INDIVIDUAL'S PARENT OR GUARDIAN IS COVERED UNDER AN
15 EMPLOYER SPONSORED HEALTH BENEFIT PLAN WITH DEPENDENT COVERAGE,
16 CERTIFIED UNDER PARAGRAPH (4) OF THIS SUBSECTION, THE INDIVIDUAL IS NOT
17 ELIGIBLE FOR THE PROGRAM DEVELOPED UNDER SUBTITLE 1 OF THIS TITLE AND IS
18 ONLY ELIGIBLE TO RECEIVE A VOUCHER TO COVER THE COSTS OF DEPENDENT
19 COVERAGE.

20 (2) UNTIL DEPENDENT COVERAGE UNDER AN EMPLOYER SPONSORED
21 HEALTH BENEFIT PLAN HAS BEEN CERTIFIED BY THE SECRETARY UNDER
22 PARAGRAPH (4) OF THIS SUBSECTION, THE INDIVIDUAL IS ELIGIBLE THROUGH THE
23 PROGRAM DEVELOPED UNDER SUBTITLE 1 OF THIS TITLE.

24 (3) AN ELIGIBLE INDIVIDUAL MAY BE ENROLLED IN AN EMPLOYER
25 SPONSORED HEALTH BENEFIT PLAN UNDER:

26 (I) AN INDEPENDENT INSURANCE POLICY; OR

27 (II) AN ADD-ON TO AN EXISTING POLICY.

28 (4) (I) A CARRIER THAT OFFERS AN EMPLOYER SPONSORED HEALTH
29 BENEFIT PLAN OR A CARRIER THAT INTENDS TO OFFER AN EMPLOYER SPONSORED
30 HEALTH BENEFIT PLAN UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL SUBMIT
31 THE PLAN TO THE SECRETARY.

32 (II) THE SECRETARY, IN CONSULTATION WITH THE
33 COMMISSIONER, SHALL CERTIFY, WITHIN A REASONABLE TIME, THE EMPLOYER
34 SPONSORED HEALTH BENEFIT PLAN, IF THE PLAN MEETS THE COVERAGE
35 REQUIREMENTS UNDER TITLE XXI OF THE SOCIAL SECURITY ACT AND ANY OTHER
36 FEDERAL REQUIREMENTS, AND INCLUDES A BENEFIT THAT IS SUBSTANTIALLY
37 EQUIVALENT TO THE EARLY PERIODIC SCREENING DIAGNOSIS AND TREATMENT
38 PROGRAM.

1 (III) IF THE SECRETARY DETERMINES THAT THE EMPLOYER
2 SPONSORED HEALTH BENEFIT PLAN DOES NOT MEET THE REQUIREMENTS OF
3 SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE SECRETARY SHALL NOTIFY THE
4 CARRIER OF THAT DETERMINATION WITHIN A REASONABLE TIME.

5 (5) A CARRIER THAT OFFERS AN EMPLOYER SPONSORED HEALTH
6 BENEFIT PLAN SHALL SUBMIT A CERTIFICATION OF ELIGIBILITY FOR THE ELIGIBLE
7 INDIVIDUAL ON THE FORM REQUIRED BY THE SECRETARY.

8 (6) IN CONSULTATION WITH THE COMMISSIONER, THE SECRETARY
9 SHALL:

10 (I) SET PREMIUM PAYMENTS AT A LEVEL THAT IS ADJUSTED TO
11 THE BENEFITS PROVIDED; AND

12 (II) UPON NOTICE OF ENROLLMENT OF AN ELIGIBLE INDIVIDUAL
13 INTO A QUALIFIED EMPLOYER SPONSORED HEALTH BENEFIT PLAN, MAKE PREMIUM
14 PAYMENTS FOR THE ELIGIBLE INDIVIDUAL'S PORTION OF THE BENEFIT COST
15 DIRECTLY TO THE CARRIER.

16 (F) (1) IN THIS SUBSECTION, "FAMILY CONTRIBUTION" MEANS THE COST TO
17 AN ELIGIBLE INDIVIDUAL UNDER THE AGE OF 19 YEARS TO ENROLL AND
18 PARTICIPATE IN THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM.

19 (2) IN ADDITION TO ANY OTHER REQUIREMENTS OF THIS SUBTITLE, AS
20 A REQUIREMENT TO ENROLL AND MAINTAIN PARTICIPATION IN THE CHILDREN AND
21 FAMILIES HEALTH CARE PROGRAM, AN APPLICANT SHALL AGREE TO PAY AN
22 ANNUAL FAMILY CONTRIBUTION AMOUNT DETERMINED BY THE DEPARTMENT IN
23 ACCORDANCE WITH PARAGRAPH (3) OF THIS SUBSECTION.

24 (3) (I) FOR ELIGIBLE INDIVIDUALS WHOSE FAMILY INCOME IS AT OR
25 ABOVE 185 PERCENT OF THE FEDERAL POVERTY LEVEL, THE DEPARTMENT, IN
26 CONSULTATION WITH THE MANAGED CARE ORGANIZATIONS UNDER CONTRACT
27 WITH THE DEPARTMENT UNDER SUBTITLE 1 OF THIS TITLE, SHALL DEVELOP A
28 PREMIUM PAYMENT SYSTEM THAT IS BASED ON A SLIDING SCALE SUCH THAT THE
29 COST OF THE PREMIUM IS AT LEAST 1 PERCENT OF THE ANNUAL FAMILY INCOME
30 BUT DOES NOT EXCEED 3 PERCENT OF THE ANNUAL FAMILY INCOME.

31 (II) IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS
32 PARAGRAPH, THE DEPARTMENT SHALL DETERMINE BY REGULATION THE FAMILY
33 CONTRIBUTION AMOUNT SCHEDULES AND THE METHOD OF COLLECTION.

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

1 Article - Health - General2 15-302.

3 (A) (1) THE DEPARTMENT SHALL MONITOR APPLICATIONS TO DETERMINE
4 WHETHER EMPLOYERS AND EMPLOYEES HAVE VOLUNTARILY TERMINATED
5 COVERAGE UNDER AN EMPLOYER SPONSORED HEALTH BENEFIT PLAN THAT
6 INCLUDED DEPENDENT COVERAGE IN ORDER TO PARTICIPATE IN THE CHILDREN
7 AND FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER § 15-301 OF THIS
8 SUBTITLE.

9 (2) THE DEPARTMENT, IN PARTICULAR, SHALL REVIEW APPLICATIONS
10 OF INDIVIDUALS WHO QUALIFIED FOR PROGRAM BENEFITS UNDER THE CHILDREN
11 AND FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER § 15-301 OF THIS
12 SUBTITLE.

13 (B) (1) AN APPLICATION MAY BE DISAPPROVED IF IT IS DETERMINED THAT
14 AN INDIVIDUAL UNDER THE AGE OF 19 YEARS TO BE COVERED UNDER THE
15 CHILDREN AND FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER § 15-301 OF
16 THIS SUBTITLE FOR WHOM THE APPLICATION WAS SUBMITTED WAS COVERED BY AN
17 EMPLOYER SPONSORED HEALTH BENEFIT PLAN WITH DEPENDENT COVERAGE
18 WHICH WAS VOLUNTARILY TERMINATED WITHIN 6 MONTHS PRECEDING THE DATE
19 OF THE APPLICATION.

20 (2) IN DETERMINING WHETHER AN APPLICANT HAS VOLUNTARILY
21 TERMINATED COVERAGE UNDER AN EMPLOYER SPONSORED HEALTH BENEFIT PLAN
22 FOR PURPOSES OF PARAGRAPH (1) OF THIS SUBSECTION, A VOLUNTARY
23 TERMINATION MAY NOT BE CONSTRUED TO INCLUDE:

24 (I) LOSS OF EMPLOYMENT DUE TO FACTORS OTHER THAN
25 VOLUNTARY TERMINATION;

26 (II) CHANGE TO A NEW EMPLOYER THAT DOES NOT PROVIDE AN
27 OPTION FOR DEPENDENT COVERAGE;

28 (III) CHANGE OF ADDRESS SO THAT NO EMPLOYER SPONSORED
29 HEALTH BENEFIT PLAN IS AVAILABLE;

30 (IV) DISCONTINUATION OF HEALTH BENEFITS TO ALL
31 DEPENDENTS OF EMPLOYEES OF THE APPLICANT'S EMPLOYER; OR

32 (V) EXPIRATION OF THE APPLICANT'S CONTINUATION OF
33 COVERAGE UNDER THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT
34 (COBRA).

35 ~~15-302.~~ 15-303.

36 (A) (1) ~~THE FOUNDATION DEPARTMENT~~ SHALL BE RESPONSIBLE FOR
37 ENROLLING PROGRAM RECIPIENTS INTO MANAGED CARE ORGANIZATIONS UNDER
38 ~~THE PROGRAM ESTABLISHED UNDER § 15-103 OF THIS TITLE AND THE CHILDREN~~

1 AND FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER § 15-301 OF THIS
2 SUBTITLE.

3 (2) ~~THE FOUNDATION DEPARTMENT~~ MAY CONTRACT WITH AN ENTITY
4 TO PERFORM ANY PART OR ALL OF ITS ENROLLMENT RESPONSIBILITIES UNDER
5 PARAGRAPH (1) OF THIS SUBSECTION.

6 (3) ~~THE FOUNDATION DEPARTMENT~~ OR ITS ENROLLMENT
7 CONTRACTOR, TO THE EXTENT FEASIBLE IN ITS MARKETING, OUTREACH, AND
8 ENROLLMENT PROGRAMS, SHALL HIRE INDIVIDUALS RECEIVING ASSISTANCE
9 UNDER THE FAMILY INVESTMENT PROGRAM ESTABLISHED UNDER ARTICLE 88A OF
10 THE CODE.

11 (B) (1) FOR PURPOSES OF ENROLLING ELIGIBLE CHILDREN INTO THE
12 PROGRAM ESTABLISHED UNDER § 15-103 OF THIS TITLE AND THE PROGRAM
13 ESTABLISHED UNDER § 15-301 OF THIS SUBTITLE AND IN MANAGED CARE
14 ORGANIZATIONS IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION, THE
15 FOUNDATION DEPARTMENT SHALL DEVELOP AND IMPLEMENT A SCHOOL-BASED
16 ENROLLMENT PROGRAM.

17 (2) AS APPROPRIATE TO CARRY OUT ITS RESPONSIBILITIES UNDER
18 PARAGRAPH (1) OF THIS SUBSECTION, THE ~~FOUNDATION DEPARTMENT~~ MAY ENTER
19 INTO CONTRACTS WITH COUNTY BOARDS OF EDUCATION TO PROVIDE ON SITE AT
20 PUBLIC SCHOOLS INFORMATION ABOUT THE PROGRAM AND ENROLL ELIGIBLE
21 PROGRAM RECIPIENTS IN MANAGED CARE ORGANIZATIONS UNDER THE PROGRAM
22 ~~ESTABLISHED UNDER § 15-103 OF THIS TITLE AND THE CHILDREN AND FAMILIES~~
23 ~~HEALTH CARE PROGRAM ESTABLISHED UNDER § 15-301 OF THIS SUBTITLE.~~
24 ESTABLISHED UNDER § 15-103 OF THIS TITLE AND THE PROGRAM ESTABLISHED
25 UNDER § 15-301 OF THIS SUBTITLE.

26 ~~(C) (1) THE FOUNDATION SHALL MONITOR APPLICATIONS TO DETERMINE~~
27 ~~WHETHER EMPLOYERS AND EMPLOYEES HAVE DROPPED EMPLOYER BASED~~
28 ~~HEALTH INSURANCE COVERAGE WHICH INCLUDED AN OPTION FOR DEPENDENT~~
29 ~~COVERAGE IN ORDER TO PARTICIPATE IN THE PROGRAM.~~

30 (2) ~~THE FOUNDATION IN PARTICULAR SHALL REVIEW APPLICATIONS OF~~
31 ~~INDIVIDUALS WHO QUALIFIED FOR PROGRAM BENEFITS UNDER THE CHILDREN AND~~
32 ~~FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER § 15-301 OF THIS SUBTITLE.~~

33 (3) ~~AN APPLICATION MAY BE DISAPPROVED IF IT IS DETERMINED THAT~~
34 ~~A CHILD TO BE COVERED UNDER THE PROGRAM FOR WHOM THE APPLICATION WAS~~
35 ~~SUBMITTED WAS COVERED BY EMPLOYER BASED HEALTH INSURANCE WHICH WAS~~
36 ~~VOLUNTARILY TERMINATED WITHIN 3 MONTHS PRECEDING THE DATE OF THE~~
37 ~~APPLICATION.~~

38 ~~15-303. 15-304.~~

39 (A) (1) IN ADDITION TO THE SCHOOL-BASED ENROLLMENT PROGRAM
40 ESTABLISHED UNDER § ~~15-302~~ 15-303 OF THIS SUBTITLE, THE ~~FOUNDATION~~
41 DEPARTMENT, IN CONSULTATION WITH THE MARYLAND MEDICAID ADVISORY

1 COMMITTEE ESTABLISHED UNDER § 15-103(B) OF THIS TITLE, SHALL DEVELOP
 2 MECHANISMS FOR OUTREACH FOR THE PROGRAM WITH A SPECIAL EMPHASIS ON
 3 IDENTIFYING CHILDREN WHO MAY BE ELIGIBLE FOR PROGRAM BENEFITS UNDER
 4 THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER §
 5 15-301 OF THIS SUBTITLE.

6 (2) FROM THE MECHANISMS TO BE DEVELOPED FOR OUTREACH UNDER
 7 PARAGRAPH (1) OF THIS SUBSECTION, ONE MECHANISM SHALL INCLUDE THE
 8 DEVELOPMENT AND DISSEMINATION OF MAIL-IN APPLICATIONS AND APPROPRIATE
 9 OUTREACH MATERIALS THROUGH COMMUNITY-BASED ORGANIZATIONS,
 10 COMMUNITY-BASED PROVIDERS, THE OFFICE OF THE STATE COMPTROLLER, THE
 11 DEPARTMENTS OF HUMAN RESOURCES AND HEALTH AND MENTAL HYGIENE,
 12 COUNTY BOARDS OF EDUCATION, AND ANY OTHER APPROPRIATE STATE AGENCY OR
 13 UNIT THE ~~FOUNDATION~~ DEPARTMENT CONSIDERS APPROPRIATE.

14 (B) FOR PURPOSES OF THIS SECTION, "COMMUNITY-BASED ORGANIZATION"
 15 INCLUDES DAY CARE CENTERS, SCHOOLS, SCHOOL-BASED HEALTH CLINICS,
 16 COMMUNITY-BASED DIAGNOSTIC AND TREATMENT CENTERS, FEDERAL OR STATE
 17 QUALIFIED COMMUNITY HEALTH CENTERS, AND HOSPITALS.

18 15-304.1.

19 ABORTION SERVICES UNDER THE CHILDREN AND FAMILIES HEALTH CARE
 20 PROGRAM ESTABLISHED UNDER § 15-301 OF THIS SUBTITLE SHALL BE MADE
 21 AVAILABLE ONLY IN ACCORDANCE WITH FEDERAL LAW GOVERNING THE STATE
 22 CHILDREN'S HEALTH INSURANCE PROGRAM.

23 20-504.

24 (a) The powers and duties of the Maryland Health Care Foundation shall rest
 25 in and be exercised by a board of 19 Trustees.

26 (b) The INITIAL Board of Trustees shall consist of:

27 (1) The President of the Senate of Maryland or the President's designee;

28 (2) The Speaker of the House of Delegates of Maryland or the Speaker's
 29 designee;

30 (3) The Secretaries of Health and Mental Hygiene and Human
 31 Resources and the Maryland Insurance Commissioner, ex officio, or their designees;
 32 and

33 (4) Fourteen individuals initially appointed by the Governor, with the
 34 advice and consent of the Senate, as follows:

35 (i) Three shall represent the interests of the payor community;

36 (ii) Three shall represent the interests of the health care provider
 37 community;

- 1 (iii) Two shall represent the business community;
2 (iv) Two shall represent the labor community; and
3 (v) Four shall represent the interests of the general public and may
4 not have any connection with the management or policy of a health care provider or
5 payor.

6 (c) The Governor shall consider geographical balance in making appointments
7 to the Board of Trustees.

8 (d) Except for the ex officio members or their designees:

9 (1) The term of a member is 4 years;

10 (2) The terms of members are staggered as required by the terms
11 provided for members of the Board on October 1, 1997;

12 (3) At the end of a term, a member continues to serve until a successor is
13 [appointed and qualifies] ELECTED UNDER SUBSECTION (E) OF THIS SECTION;

14 (4) A member who is appointed after a term is begun serves for the rest
15 of the term and until a successor is [appointed and qualifies] ELECTED UNDER
16 SUBSECTION (E) OF THIS SECTION; and

17 (5) A member may serve no more than two terms.

18 (E) (1) AFTER THE EXPIRATION OF THE TERM OF A MEMBER APPOINTED
19 UNDER SUBSECTION (B)(4) OF THIS SECTION OR UPON EARLIER VACANCY BY THE
20 MEMBER, THE BOARD SHALL ELECT A SUBSEQUENT MEMBER AT THE FIRST ANNUAL
21 MEETING OF THE BOARD AND, AS NECESSARY, AT EACH ANNUAL MEETING
22 THEREAFTER.

23 (2) IN CARRYING OUT THE DUTIES UNDER PARAGRAPH (1) OF THIS
24 SUBSECTION, THE BOARD SHALL CONSIDER THE GEOGRAPHICAL, RACIAL, ETHNIC,
25 AND GENDER MAKEUP OF THE POPULATION OF THE STATE AND SHALL ENSURE
26 THAT THE ORIGINAL REPRESENTATION OF THE BOARD UNDER SUBSECTION (B)(4) OF
27 THIS SECTION IS MAINTAINED.

28 20-505.

29 (a) The Board of Trustees shall elect one of their members to serve as
30 chairman.

31 (b) The Board shall meet at places and dates to be determined by the Board,
32 but not less than two times a year.

33 (c) Nine trustees shall constitute a quorum, but action may not be taken by
34 less than a vote of nine members.

35 (d) A trustee:

1 (1) May not receive compensation; but

2 (2) Is entitled to reimbursement for expenses under the Standard State
3 Travel Regulations as provided in the State budget.

4 (e) Except as provided in subsection (d) of this section, a trustee may not
5 financially benefit either directly or indirectly from the activities of the Foundation.

6 (f) The State agencies represented on the Foundation shall provide staff,
7 supplies, and office space and shall be reimbursed for these expenses from moneys of
8 the Foundation.

9 (G) (1) THE BOARD OF TRUSTEES SHALL APPOINT AN EXECUTIVE DIRECTOR
10 WHO SHALL BE THE CHIEF ADMINISTRATIVE OFFICER OF THE FOUNDATION AND
11 WHO SHALL SERVE AT THE PLEASURE OF THE BOARD OF TRUSTEES.

12 (2) THE BOARD OF TRUSTEES SHALL DETERMINE THE COMPENSATION
13 FOR THE EXECUTIVE DIRECTOR, SUBJECT TO THE LIMITATIONS OF THE STATE
14 BUDGET.

15 (3) UNDER THE DIRECTION OF THE BOARD OF TRUSTEES, THE
16 EXECUTIVE DIRECTOR SHALL PERFORM ANY DUTY OR FUNCTION THAT THE BOARD
17 OF TRUSTEES REQUIRES.

18 (4) THE EXECUTIVE DIRECTOR, WITH THE APPROVAL OF THE BOARD OF
19 TRUSTEES, MAY EMPLOY ADDITIONAL STAFF, SUBJECT TO THE LIMITATIONS OF THE
20 STATE BUDGET.

21 (H) THE FOUNDATION IS SUBJECT TO THE PROVISIONS OF § 15-601(C) OF THE
22 STATE GOVERNMENT ARTICLE.

23 20-506.

24 (a) The Foundation shall:

25 (1) Solicit and accept any gift, grant, legacy, or endowment of money,
26 including in-kind services, from the federal government, State government, local
27 government, or any private source in furtherance of the Foundation;

28 (2) Provide grants to programs that:

29 (i) Promote public awareness of the need to provide more timely
30 and cost-effective care for uninsured Marylanders;

31 (ii) Expand access to health care services for uninsured individuals;
32 or

33 (iii) Provide or subsidize health insurance coverage for uninsured
34 individuals;

1 ~~(3) DEVELOP DEMONSTRATION PROJECTS FOR THE PURPOSE OF~~
 2 ~~EXPANDING THE AVAILABILITY OF HEALTH INSURANCE TO UNINSURED CHILDREN~~
 3 ~~AND FAMILIES IN ACCORDANCE WITH § 15-304 OF THIS ARTICLE;~~

4 (3) STUDY THE FEASIBILITY AND COST-EFFECTIVENESS OF PROVIDING
 5 HEALTH INSURANCE COVERAGE THROUGH THE PRIVATE MARKET TO UNINSURED
 6 CHILDREN AND THEIR FAMILIES AS PART OF THE PROGRAM ESTABLISHED IN § 15-301
 7 OF THIS ARTICLE;

8 [(3)] (4) Develop programs for sponsorship by corporate and business
 9 organizations or private individuals;

10 [(4)] (5) Develop criteria for awarding grants to health care delivery
 11 programs, insurance coverage programs, or corporate sponsorship programs;

12 [(5)] (6) Develop criteria for prioritizing programs to be supported;

13 [(6)] (7) Develop criteria for evaluating the effectiveness of programs
 14 receiving grants;

15 ~~(8) CARRY OUT ITS RESPONSIBILITIES UNDER § 15-103 OF THIS ARTICLE~~
 16 ~~AND TITLE 15, SUBTITLE 3 OF THIS ARTICLE;~~

17 [(7)] ~~(9)~~ (8) Make, execute, and enter into any contract or other legal
 18 instrument;

19 [(8)] ~~(10)~~ (9) Receive appropriations as provided in the State budget;

20 [(9)] ~~(11)~~ (10) Lease and maintain an office at a place within the State
 21 that the Foundation designates;

22 [(10)] ~~(12)~~ (11) Adopt bylaws for the regulation of its affairs and the
 23 conduct of its business;

24 [(11)] ~~(13)~~ (12) Take any other action necessary to carry out the
 25 purposes of the Foundation; and

26 [(12)] ~~(14)~~ (13) Report annually to the Governor and, subject to §
 27 2-1246 of the State Government Article, to the General Assembly, on its activities
 28 during the preceding year, including an evaluation of the effectiveness of funded
 29 programs, together with any recommendations or requests deemed appropriate to
 30 further the purposes of the Foundation.

31 (b) The Foundation may sue and be sued, but only to enforce contractual or
 32 similar agreements with the Foundation.

Article - Insurance

15-124.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "BLANKET HEALTH INSURANCE" HAS THE MEANING STATED IN § 15-301 OF THIS TITLE.

(3) "GROUP HEALTH INSURANCE" HAS THE MEANING STATED IN § 15-301 OF THIS TITLE.

(B) THIS SECTION APPLIES TO INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT ISSUE OR DELIVER GROUP HEALTH INSURANCE POLICIES OR BLANKET HEALTH INSURANCE POLICIES IN THE STATE.

(C) AN ENTITY SUBJECT TO THIS SECTION WHEN ISSUING OR RENEWING A GROUP OR BLANKET HEALTH INSURANCE POLICY WITH AN EMPLOYER THAT DOES NOT INCLUDE DEPENDENT COVERAGE SHALL PROVIDE ENROLLMENT INFORMATION TO INSURED EMPLOYEES REGARDING THE METHODS OF ENROLLING ANY DEPENDENT OF AN INSURED EMPLOYEE IN THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER § 15-301 OF THE HEALTH - GENERAL ARTICLE.

27-220.

AN AGENT, BROKER, OR INSURER MAY NOT REFER AN INDIVIDUAL EMPLOYEE OR DEPENDENT OF AN EMPLOYEE TO THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER TITLE 15, SUBTITLE 3 OF THE HEALTH - GENERAL ARTICLE OR ARRANGE FOR AN INDIVIDUAL EMPLOYEE OR DEPENDENT OF AN EMPLOYEE TO APPLY FOR THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER TITLE 15, SUBTITLE 3 OF THE HEALTH - GENERAL ARTICLE IF THE AGENT, BROKER, OR INSURER HAS AN ECONOMIC INTEREST IN THE REFERRAL OR THE ARRANGEMENT AND THE AGENT'S, BROKER'S, OR INSURER'S SOLE PURPOSE IS TO SEPARATE THAT EMPLOYEE OR THAT EMPLOYEE'S DEPENDENT FROM GROUP OR BLANKET HEALTH INSURANCE COVERAGE PROVIDED IN CONNECTION WITH THE EMPLOYEE'S EMPLOYMENT.

Article - State Government

15-601.

(a) Except as provided in subsection (b) of this section, and subject to subsections (c) and (d) of this section, each official and candidate for office as a State official shall file a statement as specified in §§ 15-602 through 15-608 of this subtitle.

(b) Financial disclosure by a judge of a court under Article IV, § 1 of the Constitution, a candidate for elective office as a judge, or a judicial appointee as defined in Maryland Rule 1232 is governed by § 15-610 of this subtitle.

1 (c) An individual who is a public official only as a member of a board OR WHO
 2 IS A MEMBER OF THE BOARD OF TRUSTEES OF THE MARYLAND HEALTH CARE
 3 FOUNDATION ESTABLISHED UNDER § 2-501 OF THE HEALTH - GENERAL ARTICLE and
 4 who receives annual compensation that is less than 25% of the lowest annual
 5 compensation at State grade level 16 shall file the statement required by subsection
 6 (a) of this section in accordance with § 15-609 of this subtitle.

7 (d) A commissioner or an applicant for appointment as commissioner of a
 8 bicounty commission shall file the statement required by subsection (a) of this section
 9 in accordance with Subtitle 8, Part III of this title.

10 SECTION ~~3-~~ 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 11 read as follows:

12 **Article - Health - General**

13 ~~15-304, 15-305.~~

14 (A) THE PURPOSE OF THE HEALTH CARE FOUNDATION UNDER THIS SECTION
 15 IS TO:

16 (1) DEVELOP PROGRAMS TO EXPAND THE AVAILABILITY OF HEALTH
 17 INSURANCE COVERAGE TO LOW-INCOME, UNINSURED CHILDREN IN ACCORDANCE
 18 WITH SUBSECTION (B) OF THIS SECTION;

19 (2) INVOLVE THE PRIVATE HEALTH INSURANCE MARKET IN THE
 20 DELIVERY OF HEALTH INSURANCE COVERAGE IN ACCORDANCE WITH SUBSECTION
 21 (B) OF THIS SECTION;

22 (3) IDENTIFY AND AGGRESSIVELY PURSUE A MIX OF STATE, FEDERAL,
 23 AND PRIVATE FUNDS, INCLUDING GRANTS, TO ENABLE THE FOUNDATION TO
 24 PROVIDE AND FUND HEALTH CARE INSURANCE COVERAGE IN ACCORDANCE WITH
 25 SUBSECTION (B) OF THIS SECTION;

26 (4) DEVELOP METHODS TO MINIMIZE THE EFFECT OF EMPLOYERS OR
 27 EMPLOYEES TERMINATING EMPLOYER SPONSORED HEALTH INSURANCE OR
 28 PRIVATELY PURCHASED HEALTH CARE INSURANCE; AND

29 (5) COORDINATE ITS ACTIVITIES WITH THE OTHER NECESSARY
 30 ENTITIES IN ORDER TO ADDRESS THE HEALTH CARE NEEDS OF LOW-INCOME,
 31 UNINSURED CHILDREN OF THE STATE AND THEIR FAMILIES.

32 (A) ~~THE FOUNDATION SHALL DEVELOP A VARIETY OF OPTIONS AND~~
 33 ~~STRATEGIES FOR EXPANDING THE AVAILABILITY OF HEALTH INSURANCE COVERAGE~~
 34 ~~TO CHILDREN AND THEIR FAMILIES WHOSE FAMILY INCOME EXCEEDS 185% OF THE~~
 35 ~~FEDERAL POVERTY LEVEL AND DOES NOT EXCEED 200% OF THE FEDERAL POVERTY~~
 36 ~~LEVEL AS PART OF THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM~~
 37 ~~ESTABLISHED UNDER § 15-301 OF THIS SUBTITLE.~~

1 ~~(B) (1) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET AND~~
2 ~~FEDERAL LAW OR WAIVER, THE FOUNDATION, IN ACCORDANCE WITH A~~
3 ~~MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT, WHICH OUTLINES~~
4 ~~THE DUTIES AND RESPONSIBILITIES OF THE DEPARTMENT AND THE FOUNDATION,~~
5 ~~SHALL IMPLEMENT THESE OPTIONS AND STRATEGIES AS DEMONSTRATION~~
6 ~~PROJECTS.~~

7 ~~(2) THE DEMONSTRATION PROJECTS SHALL INCLUDE:~~

8 ~~(I) AN INSURANCE COVERAGE PROGRAM THAT PROVIDES~~
9 ~~SUBSIDIES TO ELIGIBLE FAMILIES FOR THE PURPOSE OF ASSISTING FAMILIES TO~~
10 ~~OBTAIN OR MAINTAIN EMPLOYER BASED HEALTH INSURANCE COVERAGE;~~

11 ~~(II) A PROGRAM THAT PROVIDES HEALTH INSURANCE~~
12 ~~PURCHASING CREDITS TO ELIGIBLE PROGRAM RECIPIENTS WHO ARE MEMBERS OF~~
13 ~~FAMILIES THAT HAVE ACCESS TO AFFORDABLE AND COMPREHENSIVE~~
14 ~~EMPLOYER BASED DEPENDENT COVERAGE;~~

15 ~~(III) A HEALTH CARE DELIVERY PROGRAM THAT PROVIDES~~
16 ~~VOUCHERS TO ELIGIBLE UNINSURED FAMILIES TO UTILIZE HEALTH CARE CLINICS~~
17 ~~IN RURAL SETTINGS IN THE STATE; AND~~

18 ~~(IV) A PROGRAM THAT PROVIDES DIRECT GRANTS TO HEALTH CARE~~
19 ~~PROVIDERS THAT DEMONSTRATE THAT THEY PROVIDE HIGH VOLUME HEALTH CARE~~
20 ~~SERVICES TO UNINSURED CHILDREN IN URBAN AREAS IN THE STATE.~~

21 ~~(C) THE DEPARTMENT SHALL APPLY FOR A WAIVER FROM THE HEALTH CARE~~
22 ~~FINANCING ADMINISTRATION OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN~~
23 ~~SERVICES OR TAKE WHATEVER STEPS NECESSARY TO OBTAIN FEDERAL~~
24 ~~REIMBURSEMENT TO FUND ANY DEMONSTRATION PROJECT DEVELOPED BY THE~~
25 ~~FOUNDATION UNDER SUBSECTION (B) OF THIS SECTION THAT WOULD EXPAND~~
26 ~~HEALTH INSURANCE COVERAGE TO FAMILIES WITH DEPENDENT CHILDREN UNDER~~
27 ~~THE CHILDREN AND FAMILIES HEALTH CARE PROGRAM ESTABLISHED UNDER §~~
28 ~~15-301 OF THIS SUBTITLE.~~

29 ~~(D) BEGINNING JULY 1, 1999, AND EACH JULY 1 THEREAFTER, THE~~
30 ~~FOUNDATION SHALL SUBMIT A REPORT TO THE GOVERNOR AND, SUBJECT TO §~~
31 ~~2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE~~
32 ~~DEMONSTRATION PROJECTS DEVELOPED UNDER THIS SECTION IN REGARD TO~~
33 ~~THEIR EFFECTIVENESS IN EXPANDING THE AVAILABILITY OF HEALTH INSURANCE~~
34 ~~COVERAGE FOR CHILDREN AND THEIR FAMILIES.~~

35 ~~(B) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, IN CONSULTATION~~
36 ~~WITH THE MARYLAND INSURANCE ADMINISTRATION, THE HEALTH CARE ACCESS~~
37 ~~AND COST COMMISSION, THE FOUNDATION, THE BUSINESS COMMUNITY, AND THE~~
38 ~~HEALTH CARE INSURANCE INDUSTRY SHALL:~~

39 ~~(1) CONDUCT A STUDY TO DETERMINE THE FEASIBILITY AND COST~~
40 ~~EFFECTIVENESS OF PROVIDING HEALTH INSURANCE COVERAGE THROUGH THE~~

1 PRIVATE MARKET TO UNINSURED CHILDREN AND THEIR FAMILIES AS PART OF THE
 2 PROGRAM ESTABLISHED UNDER § 15-301 OF THIS SUBTITLE; AND

3 (2) RECOMMEND PROGRAMS TO PROVIDE HEALTH INSURANCE
 4 COVERAGE THROUGH THE PRIVATE MARKET TO UNINSURED CHILDREN AND THEIR
 5 FAMILIES THAT WOULD QUALIFY FOR THE ENHANCED FEDERAL MATCH PROVIDED
 6 FOR UNDER TITLE XXI OF THE SOCIAL SECURITY ACT AS PART OF THE PROGRAM
 7 ESTABLISHED UNDER § 15-301 OF THIS SUBTITLE.

8 (C) THE DEPARTMENT SHALL REPORT ON THE RESULT OF ITS STUDY AND ITS
 9 RECOMMENDATIONS TO THE SENATE FINANCE COMMITTEE, THE HOUSE
 10 ENVIRONMENTAL MATTERS COMMITTEE, THE HOUSE ECONOMIC MATTERS
 11 COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, THE HOUSE WAYS AND
 12 MEANS COMMITTEE, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE
 13 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, ON OR BEFORE DECEMBER 1, 1998
 14 AND EACH DECEMBER 1 THEREAFTER.

15 ~~SECTION 4. AND BE IT FURTHER ENACTED, That the Department and the~~
 16 ~~Maryland Health Care Foundation shall enter into a memorandum of understanding~~
 17 ~~with respect to the enrollment of eligible individuals into the Maryland Medical~~
 18 ~~Assistance Program established under Title 15, Subtitle 1 of the Health—General~~
 19 ~~Article and enrollment of Maryland Medical Assistance Program recipients into~~
 20 ~~managed-care organizations under the managed-care program established under §~~
 21 ~~15-103(b) of the Health—General Article and the Children and Families Health Care~~
 22 ~~Program established under § 15-301 of the Health—General Article.~~

23 ~~SECTION 5. AND BE IT FURTHER ENACTED, That, prior to the abrogation of~~
 24 ~~Section 3 of this Act, as provided in Section 8 of this Act, the Maryland Health Care~~
 25 ~~Foundation shall:~~

26 (a) ~~study the effectiveness of the demonstration projects developed under §~~
 27 ~~15-304 of the Health—General Article in regard to expanding and broadening the~~
 28 ~~availability of health insurance coverage to children and their families; and~~

29 (b) ~~on or before July 1, 2003, submit a report to the Governor and, subject to §~~
 30 ~~2-1246 of the State Government Article, to the General Assembly, with~~
 31 ~~recommendations as to whether § 15-304 of the Health—General Article should be~~
 32 ~~amended or allowed to abrogate.~~

33 SECTION 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 34 read as follows:

35 Article - Health - General

36 Subtitle 3. Children and Families Health Care Program.

37 15-301.

38 (a) In this section, "carrier" means:

- 1 (1) An insurer;
 2 (2) A nonprofit service plan;
 3 (3) A health maintenance organization; or
 4 (4) Any other person that provides health benefit plans subject to
 5 regulation by the State.

6 (b) There is a Children and Families Health Care Program.

7 (c) The Children and Families Health Care Program shall provide, subject to
 8 the limitations of the State budget and any other requirements imposed by the State
 9 and as permitted by federal law or waiver, comprehensive medical care and other
 10 health care services to an individual who has a family income at or below 200
 11 percent of the federal poverty level and who is under the age of 19 years; ~~IS ELIGIBLE~~
 12 ~~FOR THE PROGRAM UNDER EITHER SUBSECTION (D) OR SUBSECTION (E) OF THIS~~
 13 ~~SECTION.~~

14 (d) (1) ~~Except as provided in subsection (e) of this section, the~~ THE
 15 Children and Families Health Care Program shall be administered:

16 (I) FOR AN INDIVIDUAL WHOSE FAMILY INCOME IS UNDER 185
 17 PERCENT OF THE FEDERAL POVERTY LEVEL, through the program developed under
 18 Subtitle 1 of this title requiring [individuals] AN INDIVIDUAL to enroll in managed
 19 care organizations; ~~IF THE INDIVIDUAL:~~

20 ~~(1) IS UNDER THE AGE OF 19 YEARS;~~

21 ~~(2) HAS A FAMILY INCOME THAT; AND~~

22 (II) FOR AN INDIVIDUAL WHOSE FAMILY INCOME IS AT LEAST 185
 23 PERCENT OF THE FEDERAL POVERTY LEVEL BUT DOES NOT EXCEED 200 PERCENT OF
 24 THE FEDERAL POVERTY LEVEL ~~±~~, THROUGH A PROGRAM DEVELOPED UNDER § 15-305
 25 OF THIS SUBTITLE.

26 (2) IF AN INDIVIDUAL IS NOT ELIGIBLE FOR A PROGRAM UNDER § 15-305
 27 OF THIS SUBTITLE, THE INDIVIDUAL IS ELIGIBLE THROUGH THE PROGRAM
 28 DEVELOPED UNDER SUBTITLE 1 OF THIS TITLE.

29 ~~(3) IS NOT COVERED UNDER AN EMPLOYER SPONSORED HEALTH~~
 30 ~~BENEFIT PLAN WITH CERTIFIED DEPENDENT COVERAGE UNDER SUBSECTION (E)(4)~~
 31 ~~OF THIS SECTION; AND~~

32 ~~(4) DOES NOT QUALIFY FOR A PROGRAM DEVELOPED UNDER § 15-305 OF~~
 33 ~~THIS SECTION SUBTITLE.~~

34 (e) (1) If an individual's parent or guardian is covered under an employer
 35 sponsored health benefit plan with dependent coverage, certified under paragraph (4)
 36 of this subsection, the individual is not eligible for the program developed under

1 Subtitle 1 of this title and is only eligible to receive a voucher to cover the costs of
2 dependent coverage ~~IF~~:

3 ~~(I) THE INDIVIDUAL IS UNDER THE AGE OF 19 YEARS; AND~~

4 ~~(II) THE INDIVIDUAL HAS A FAMILY INCOME AT OR BELOW 200~~
5 ~~PERCENT OF THE FEDERAL POVERTY LEVEL.~~

6 (2) Until dependent coverage under an employer sponsored health
7 benefit plan has been certified by the Secretary under paragraph (4) of this
8 subsection, the individual is eligible through the program developed under Subtitle 1
9 of this title.

10 (3) An eligible individual may be enrolled in an employer sponsored
11 health benefit plan under:

12 (i) An independent insurance policy; or

13 (ii) An add-on to an existing policy.

14 (4) (i) A carrier that offers an employer sponsored health benefit plan
15 or a carrier that intends to offer an employer sponsored health benefit plan under
16 paragraph (1) of this subsection shall submit the plan to the Secretary.

17 (ii) The Secretary, in consultation with the Commissioner, shall
18 certify, within a reasonable time, the employer sponsored health benefit plan, if the
19 plan meets the coverage requirements under Title XXI of the Social Security Act and
20 any other federal requirements, and includes a benefit that is substantially
21 equivalent to the early periodic screening diagnosis and treatment program.

22 (iii) If the Secretary determines that the employer sponsored health
23 benefit plan does not meet the requirements of subparagraph (ii) of this paragraph,
24 the Secretary shall notify the carrier of that determination within a reasonable time.

25 (5) A carrier that offers an employer sponsored health benefit plan shall
26 submit a certification of eligibility for the eligible individual on the form required by
27 the Secretary.

28 (6) In consultation with the Commissioner, the Secretary shall:

29 (i) Set premium payments at a level that is adjusted to the benefits
30 provided; and

31 (ii) Upon notice of enrollment of an eligible individual into a
32 qualified employer sponsored health benefit plan, make premium payments for the
33 eligible individual's portion of the benefit cost directly to the carrier.

34 (f) (1) In this subsection, "family contribution" means the cost to an eligible
35 individual under the age of 19 years to enroll and participate in the Children and
36 Families Health Care Program.

1 (2) In addition to any other requirements of this subtitle, as a
2 requirement to enroll and maintain participation in the Children and Families
3 Health Care Program, an applicant shall agree to pay an annual family contribution
4 amount determined by the Department in accordance with paragraph (3) of this
5 subsection.

6 (3) (i) For eligible individuals whose family income is at or above 185
7 percent of the federal poverty level, the Department, in consultation with the
8 managed care organizations under contract with the Department under Subtitle 1 of
9 this title, shall develop a premium payment system that is based on a sliding scale
10 such that the cost of the premium is at least 1 percent of the annual family income but
11 does not exceed 3 percent of the annual family income.

12 (ii) In accordance with subparagraph (i) of this paragraph, the
13 Department shall determine by regulation the family contribution amount schedules
14 and the method of collection.

15 ~~SECTION 6. AND BE IT FURTHER ENACTED, That, at the end of each fiscal~~
16 ~~year, any excess funds that remain from the General Fund appropriation in the~~
17 ~~annual budget to the Department of Health and Mental Hygiene to provide benefits~~
18 ~~to eligible individuals under the Children and Families Health Care Program~~
19 ~~established under § 15-301 of the Health - General Article shall be transferred to a~~
20 ~~dedicated purpose account to be used by the Maryland Health Care Foundation to~~
21 ~~fund demonstration projects developed by the Maryland Health Care Foundation~~
22 ~~under § 15-304 of the Health - General Article.~~

23 ~~SECTION 7. AND BE IT FURTHER ENACTED, That the transfer of the~~
24 ~~enrollment function under § 15-103(b) of the Health - General Article of this Act from~~
25 ~~the Department of Health and Mental Hygiene to the Maryland Health Care~~
26 ~~Foundation under this Act may not impair any contract that the Department of~~
27 ~~Health and Mental Hygiene has in effect with an entity to enroll Medical Assistance~~
28 ~~Program recipients in managed care organizations prior to the enactment of this Act.~~
29 ~~The provisions of any such contract shall continue in effect with the Maryland Health~~
30 ~~Care Foundation under the same terms and conditions as with the Department of~~
31 ~~Health and Mental Hygiene until its termination.~~

32 ~~SECTION 8. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall~~
33 ~~take effect July 1, 1998. It shall remain effective for a period of 6 years and, at the end~~
34 ~~of June 30, 2004, with no further action required by the General Assembly, Section 3~~
35 ~~shall be abrogated and of no further force and effect.~~

36 ~~SECTION 9. AND BE IT FURTHER ENACTED, That, except as provided in~~
37 ~~Section 8 of this Act, this Act shall take effect July 1, 1998.~~

38 ~~SECTION 7. AND BE IT FURTHER ENACTED, That, in the budget submitted~~
39 ~~to the General Assembly, the Governor shall include a General Fund appropriation to~~
40 ~~a dedicated purpose account for the Maryland Health Care Foundation to fund~~
41 ~~proposals developed under § 15-305 of the Health - General Article equivalent to the~~
42 ~~amount by which the legislative appropriations from the General Fund for the~~

1 Children and Families Health Care Program exceed actual expenditures for the
2 second year prior to the fiscal year for which the budget is introduced.

3 SECTION 8. AND BE IT FURTHER ENACTED, That the Governor shall
4 include at least \$500,000 for the Maryland Health Care Foundation, to cover the
5 expenses associated with the operation of the Foundation, in the budget submitted at
6 the 1999 Session of the General Assembly and each year thereafter, for the duration
7 of this Act. Authorization is granted to the Governor to transfer by contract, grant, or
8 otherwise, \$500,000 to the Foundation in the 1999 fiscal year, to cover the expenses
9 associated with the operation of the Foundation.

10 SECTION 9. AND BE IT FURTHER ENACTED, That the Department of
11 Health and Mental Hygiene shall take whatever steps are necessary to receive
12 approval from the federal Health Care Financing Administration for a tax credit
13 program for the Maryland Children and Families Health Care Program. On or before
14 December 1, 1998, the Department shall report to the General Assembly, in
15 accordance with § 2-1246 of the State Government Article, on the status of the
16 Department's efforts to receive approval for a tax credit program for the General
17 Assembly to consider modifications to the Maryland Children and Families Health
18 Care Program.

19 SECTION 10. AND BE IT FURTHER ENACTED, That Section 6 of this Act
20 does not apply to any individual who:

21 (1) enrolled in the Children and Families Health Care Program
22 established under § 15-301 of the Health - General Article before July 1, 2000;

23 (2) maintains a family income over 185 percent of the federal poverty
24 level; and

25 (3) otherwise remains eligible for the Children and Families Health Care
26 Program established under § 15-301 of the Health - General Article.

27 SECTION 11. AND BE IT FURTHER ENACTED, That at the end of June 30,
28 2000, with no further action required by the General Assembly, Section 3 of this Act
29 shall be abrogated and of no further force and effect.

30 SECTION 12. AND BE IT FURTHER ENACTED, That at the end of June 30,
31 2004, with no further action required by the General Assembly, Section 5 of this Act
32 shall be abrogated and of no further force and effect.

33 SECTION 13. AND BE IT FURTHER ENACTED, That Section 6 of this Act
34 shall take effect July 1, 2000.

35 SECTION 14. AND BE IT FURTHER ENACTED, That, except as provided in
36 Section 13 of this Act, this Act is an emergency measure, is necessary for the
37 immediate preservation of the public health and safety, has been passed by a ye and
38 nay vote supported by three-fifths of all the members elected to each of the two
39 Houses of the General Assembly, and shall take effect from the date it is enacted.

