

---

By: **Delegates Eckardt, Taylor, Donoghue, Walkup, McClenahan, Schisler, Wood, O'Donnell, Poole, Boston, Bozman, Guns, Conway, Slade, Stull, Hecht, Edwards, Bonsack, Montague, Hutchins, Goldwater, D. Hughes, Rudolph, W. Baker, V. Mitchell, Snodgrass, Harrison, and Love**

Introduced and read first time: February 2, 1998

Assigned to: Economic Matters

---

A BILL ENTITLED

1 AN ACT concerning

2 **Medicare Risk Health Maintenance Organizations**

3 FOR the purpose of requiring certain health maintenance organizations that have  
4 entered into a certain contract with the federal Health Care Financing  
5 Administration to provide health care services under the Medicare program to  
6 establish a certain premium if the health maintenance organization establishes  
7 or alters in a certain manner an already established premium it charges to its  
8 enrollees; requiring certain health maintenance organizations that have  
9 contracted to provide health care services under the Medicare program to offer  
10 the contract in all jurisdictions of the State; defining certain terms; and  
11 providing for the termination of this Act.

12 BY adding to

13 Article - Health - General

14 Section 19-7A-01 to be under the new subtitle "Subtitle 7A. Medicare Risk  
15 Health Maintenance Organizations"

16 Annotated Code of Maryland

17 (1996 Replacement Volume and 1997 Supplement)

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

20 **Article - Health - General**

21 **SUBTITLE 7A. MEDICARE RISK HEALTH MAINTENANCE ORGANIZATIONS.**

22 19-7A-01.

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

1           (2)       "PREMIUM" MEANS THE PAYMENT OF A SET AMOUNT EACH  
2 PAYMENT PERIOD TO OBTAIN OR MAINTAIN HEALTH CARE COVERAGE.

3           (3)       "RISK-SHARING CONTRACT" MEANS A CONTRACT ENTERED INTO BY  
4 A HEALTH MAINTENANCE ORGANIZATION WITH THE FEDERAL HEALTH CARE  
5 FINANCING ADMINISTRATION TO PROVIDE HEALTH CARE SERVICES TO ENROLLEES  
6 FOR WHICH THE HEALTH MAINTENANCE ORGANIZATION IS COMPENSATED BY A  
7 PAYMENT THAT IS MADE ON A PERIODIC BASIS WITHOUT REGARD TO THE DATE THE  
8 HEALTH CARE SERVICES ARE PROVIDED TO ENROLLEES AND WHICH IS FIXED  
9 WITHOUT REGARD TO THE FREQUENCY, EXTENT, OR KIND OF HEALTH CARE  
10 SERVICE PROVIDED TO AN ENROLLEE.

11       (B)       A HEALTH MAINENANCE ORGANIZATION THAT HAS ENTERED INTO A  
12 RISK-SHARING CONTRACT TO OFFER MEDICARE BENEFITS UNDER A CONTRACT TO  
13 BE DELIVERED OR ISSUED IN THE STATE SHALL OFFER THE CONTRACT IN ALL  
14 JURISDICTIONS OF THE STATE.

15       (C)       IF A HEALTH MAINTENANCE ORGANIZATION THAT HAS ENTERED INTO A  
16 RISK-SHARING CONTRACT WITH THE FEDERAL HEALTH CARE FINANCING  
17 ADMINISTRATION TO PROVIDE HEALTH CARE SERVICES TO ENROLLEE MEMBERS  
18 UNDER THE MEDICARE PROGRAM ESTABLISHES OR INCREASES AN ALREADY  
19 ESTABLISHED PREMIUM THAT IT CHARGES TO ENROLLEES, THE HEALTH  
20 MAINTENANCE ORGANIZATION SHALL ESTABLISH OR INCREASE THE PREMIUM  
21 ALREADY ESTABLISHED SUCH THAT THE SAME PREMIUM IS CHARGED TO ALL  
22 ENROLLEES OF THE HEALTH MAINTENANCE ORGANIZATION REGARDLESS OF  
23 GEOGRAPHIC PAYMENT AREA.

24       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
25 effect June 1, 1998. It shall remain effective for a period of 7 months and, at the end  
26 of January 1, 1999, with no further action required by the General Assembly, this Act  
27 shall be abrogated and of no further force and effect.