

SENATE BILL 561
EMERGENCY BILL

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1998 Regular Session
8r1688

By: **Senator Colburn**

Introduced and read first time: February 6, 1998

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Medicare Risk Health Maintenance Organizations - Premiums**

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; defining certain terms; providing for the termination of this Act; and
9 making this Act an emergency measure.

10 BY adding to

11 Article - Health - General

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

14 Annotated Code of Maryland

15 (1996 Replacement Volume and 1997 Supplement)

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

18 **Article - Health - General**

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

20 19-7A-01.

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

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

25 (3) "RISK-SHARING CONTRACT" MEANS A CONTRACT ENTERED INTO BY
26 A HEALTH MAINTENANCE ORGANIZATION WITH THE FEDERAL HEALTH CARE
27 FINANCING ADMINISTRATION TO PROVIDE HEALTH CARE SERVICES TO ENROLLEES

1 FOR WHICH THE HEALTH MAINTENANCE ORGANIZATION IS COMPENSATED BY A
2 PAYMENT THAT IS MADE ON A PERIODIC BASIS WITHOUT REGARD TO THE DATE THE
3 HEALTH CARE SERVICES ARE PROVIDED TO ENROLLEES AND WHICH IS FIXED
4 WITHOUT REGARD TO THE FREQUENCY, EXTENT, OR KIND OF HEALTH CARE
5 SERVICE PROVIDED TO AN ENROLLEE.

6 (B) IF A HEALTH MAINTENANCE ORGANIZATION THAT HAS ENTERED INTO A
7 RISK-SHARING CONTRACT WITH THE FEDERAL HEALTH CARE FINANCING
8 ADMINISTRATION TO PROVIDE HEALTH CARE SERVICES TO ENROLLEE MEMBERS
9 UNDER THE MEDICARE PROGRAM ESTABLISHES OR INCREASES AN ALREADY
10 ESTABLISHED PREMIUM THAT IT CHARGES TO ENROLLEES, THE HEALTH
11 MAINTENANCE ORGANIZATION SHALL ESTABLISH OR INCREASE THE PREMIUM
12 ALREADY ESTABLISHED SUCH THAT THE SAME PREMIUM IS CHARGED TO ALL
13 ENROLLEES OF THE HEALTH MAINTENANCE ORGANIZATION REGARDLESS OF
14 GEOGRAPHIC PAYMENT AREA.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall remain
16 effective until January 1, 1999 and, at the end of January 1, 1999, with no further
17 action required by the General Assembly, this Act shall be abrogated and of no further
18 force and effect.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an
20 emergency measure, is necessary for the immediate preservation of the public health
21 and safety, has been passed by a yea and nay vote supported by three-fifths of all the
22 members elected to each of the two Houses of the General Assembly, and shall take
23 effect from the date it is enacted.