

SENATE BILL 650

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1998 Regular Session
(8lr2227)

ENROLLED BILL
-- Finance/Environmental Matters --

Introduced by **Senators Van Hollen, Frosh, and ~~Hollinger~~ Hollinger,
Bromwell, Kelley, and McFadden**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Medical Assistance - Managed Care Organizations - Comprehensive**
3 **Outreach Services**

4 FOR the purpose of requiring certain managed care organizations to ~~develop and~~
5 ~~implement a certain comprehensive outreach services plan to remove certain~~
6 ~~barriers to access to health care services under the Maryland Medicaid Managed~~
7 ~~Care Program for certain purposes; providing for the submission to and review~~
8 ~~by the Department of Health and Mental Hygiene of a certain comprehensive~~
9 ~~outreach services plan by a certain managed care organization within a certain~~
10 ~~time; authorizing the Department to take certain action if a certain managed~~
11 ~~care organization does not comply with certain requirements by a certain time;~~
12 ~~authorizing a certain managed care organization to meet certain requirements~~
13 ~~by making certain subcontracts; requiring the Department to give a certain~~
14 ~~preference to a certain managed care organization or managed care provider~~
15 ~~after a certain date; defining certain terms submit certain information to the~~
16 ~~Department of Health and Mental Hygiene at a certain time; authorizing the~~

1 Department to take certain action if a certain managed care organization does
 2 not comply with certain requirements by a certain time; and generally relating to
 3 certain outreach services for certain health care services.

4 ~~BY repealing and reenacting, without amendments,~~
 5 ~~Article Health General~~
 6 ~~Section 1-101(a) and (c) and 15-101(e)~~
 7 ~~Annotated Code of Maryland~~
 8 ~~(1994 Replacement Volume and 1997 Supplement)~~

9 ~~BY adding to~~
 10 ~~Article Health General~~
 11 ~~Section 15-103.2~~
 12 ~~Annotated Code of Maryland~~
 13 ~~(1994 Replacement Volume and 1997 Supplement)~~

14 BY repealing and reenacting, without amendments,
 15 Article - Health - General
 16 Section 15-103(b)(1)
 17 Annotated Code of Maryland
 18 (1994 Replacement Volume and 1997 Supplement)

19 BY repealing and reenacting, with amendments,
 20 Article - Health - General
 21 Section 15-103(b)(12)
 22 Annotated Code of Maryland
 23 (1994 Replacement Volume and 1997 Supplement)

24 **Preamble**

25 ~~WHEREAS, A significant portion of the citizens of this State who are eligible for~~
 26 ~~Medicaid and other State administered health assistance programs face barriers to~~
 27 ~~accessing health care services; and~~

28 ~~WHEREAS, These barriers consist of cultural and language differences between~~
 29 ~~health care providers and their patients, limited accessibility of many health care~~
 30 ~~facilities which are open during weekday business hours only, lack of transportation~~
 31 ~~to facilities, inconvenient location of facilities, inadequate understanding by program~~
 32 ~~enrollees of enrollment processes and benefits, and providers who are unfamiliar with~~
 33 ~~community needs or cultural and health benefits; and~~

34 ~~WHEREAS, The enrollment rate of eligible children in Maryland's "Kids Count"~~
 35 ~~Program is less than 25 percent; and~~

1 WHEREAS, ~~Because media outreach to certain populations has not been as~~
2 ~~successful as anticipated, efforts must be made to include community based outreach~~
3 ~~to affected populations; and~~

4 WHEREAS, ~~The existing barriers to access to health care services are not~~
5 ~~necessarily overcome by enrollment in insurance programs, but may continue as~~
6 ~~impediments to meaningful participation in health plans; and~~

7 WHEREAS, ~~Comprehensive outreach services to affected populations must be~~
8 ~~an ongoing effort; now, therefore,~~

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

11 **Article - Health - General**

12 ~~1-101.~~

13 (a) ~~In this article the following words have the meanings indicated.~~

14 (c) ~~"Department" means the Department of Health and Mental Hygiene.~~

15 ~~15-101.~~

16 (e) ~~"Managed care organization" means:~~

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

19 (2) ~~A corporation that:~~

20 (i) ~~Is a managed care system that is authorized to receive medical~~
21 ~~assistance prepaid capitation payments;~~

22 (ii) ~~Enrolls only program recipients; and~~

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

24 ~~15-103.2.~~

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

27 (2) (1) ~~"COMPREHENSIVE OUTREACH SERVICES" MEANS:~~

28 1. ~~SERVICES THAT ARE COMMUNITY BASED AND DELIVERED~~
29 ~~IN THE PRIMARY LANGUAGE OF THE RECIPIENTS OF THE SERVICES, PREFERABLY BY~~
30 ~~PERSONS WHO ARE FAMILIAR WITH THE COMMUNITY TO BE SERVED AND KNOWN TO~~
31 ~~MEMBERS OF THAT COMMUNITY; AND~~

1 (II) LIMITED ACCESSIBILITY OF MANY HEALTH CARE FACILITIES
2 WHICH ARE OPEN DURING WEEKDAY BUSINESS HOURS ONLY;

3 (III) LACK OF TRANSPORTATION TO HEALTH CARE FACILITIES;

4 (IV) ~~(III)~~ INCONVENIENT LOCATION OF HEALTH CARE FACILITIES;

5 (V) ~~(IV)~~ INADEQUATE UNDERSTANDING BY HEALTH CARE
6 RECIPIENTS OF ENROLLMENT PROCESSES AND BENEFITS; AND

7 (VI) ~~(V)~~ UNFAMILIARITY OF PROVIDERS WITH COMMUNITY NEEDS
8 OR CULTURAL AND HEALTH BENEFITS.

9 (D) (1) A MANAGED CARE ORGANIZATION THAT, ON OR BEFORE OCTOBER 1,
10 1998, HAS A CONTRACT WITH THE DEPARTMENT TO PROVIDE HEALTH CARE
11 SERVICES SHALL SUBMIT A COMPREHENSIVE OUTREACH SERVICES PLAN TO THE
12 DEPARTMENT ON OR BEFORE APRIL 1, 1999.

13 (2) WITHIN 60 DAYS AFTER RECEIVING A COMPREHENSIVE OUTREACH
14 SERVICES PLAN SUBMITTED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE
15 DEPARTMENT SHALL APPROVE OR DISAPPROVE THE COMPREHENSIVE OUTREACH
16 SERVICES PLAN.

17 (3) IF THE DEPARTMENT DISAPPROVES A COMPREHENSIVE OUTREACH
18 SERVICES PLAN, THE DEPARTMENT SHALL:

19 (I) RETURN THE COMPREHENSIVE OUTREACH SERVICES PLAN TO
20 THE MANAGED CARE ORGANIZATION THAT SUBMITTED THE COMPREHENSIVE
21 OUTREACH SERVICES PLAN; AND

22 (II) MAKE RECOMMENDATIONS TO THE MANAGED CARE
23 ORGANIZATION CONCERNING ANY MODIFICATIONS THE MANAGED CARE
24 ORGANIZATION MUST MAKE TO THE COMPREHENSIVE OUTREACH SERVICES PLAN
25 TO ENSURE COMPLIANCE WITH THE REQUIREMENTS SPECIFIED IN SUBSECTION (B)
26 OF THIS SECTION.

27 (E) (1) A MANAGED CARE ORGANIZATION THAT, ON OR BEFORE OCTOBER 1,
28 1998, HAS A CONTRACT WITH THE DEPARTMENT TO PROVIDE HEALTH CARE
29 SERVICES SHALL:

30 (I) OBTAIN THE APPROVAL OF THE SECRETARY OF ITS
31 COMPREHENSIVE OUTREACH SERVICES PLAN ON OR BEFORE OCTOBER 1, 1999; AND

32 (II) WITHIN 30 DAYS AFTER THE APPROVAL OF THE SECRETARY,
33 IMPLEMENT THE COMPREHENSIVE OUTREACH SERVICES PLAN.

34 (2) IF A MANAGED CARE ORGANIZATION THAT, ON OR BEFORE OCTOBER
35 1, 1998, HAS A CONTRACT WITH THE DEPARTMENT TO PROVIDE HEALTH CARE
36 SERVICES DOES NOT MEET THE REQUIREMENTS OF PARAGRAPH (1) OF THIS
37 SUBSECTION, THE SECRETARY MAY:

- 1 (4) 1. ~~REVOKE THE CERTIFICATION OF THE MANAGED CARE~~
2 ~~ORGANIZATION;~~
- 3 2. ~~TERMINATE THE CONTRACT;~~
- 4 3. ~~WITHHOLD \$2 OF ITS CAPITATION PAYMENT FOR EACH~~
5 ~~ENROLLEE OF THE MANAGED CARE ORGANIZATION TO COVER THE COSTS OF THE~~
6 ~~SECRETARY IN CONTRACTING WITH ANOTHER ENTITY TO PROVIDE COMPREHENSIVE~~
7 ~~OUTREACH SERVICES; AND~~
- 8 (4) ~~IMPOSE SANCTIONS ON THE MANAGED CARE ORGANIZATION,~~
9 ~~INCLUDING BUT NOT LIMITED TO:~~
- 10 1. ~~FINES;~~
- 11 2. ~~SUSPENSION OF FURTHER ENROLLMENT;~~
- 12 3. ~~WITHHOLDING ALL OR PART OF THE CAPITATION~~
13 ~~PAYMENT;~~
- 14 4. ~~TERMINATION OF THE PROVIDER AGREEMENT; AND~~
- 15 5. ~~DISQUALIFICATION FROM FUTURE PARTICIPATION IN~~
16 ~~THE MARYLAND MEDICAID MANAGED CARE PROGRAM; AND~~
- 17 (H) ~~CONTRACT WITH ANY COMMUNITY BASED HEALTH~~
18 ~~ORGANIZATION THAT THE SECRETARY DETERMINES IS WILLING AND ABLE TO~~
19 ~~PERFORM COMPREHENSIVE OUTREACH SERVICES.~~
- 20 (F) ~~ON AND AFTER OCTOBER 1, 1998, THE SECRETARY MAY NOT EXECUTE AN~~
21 ~~INITIAL CONTRACT WITH A MANAGED CARE ORGANIZATION TO PROVIDE HEALTH~~
22 ~~CARE SERVICES UNLESS THE MANAGED CARE ORGANIZATION HAS A~~
23 ~~COMPREHENSIVE OUTREACH SERVICES PLAN THAT THE SECRETARY APPROVES.~~
- 24 (G) ~~A MANAGED CARE ORGANIZATION MAY SUBCONTRACT WITH A~~
25 ~~COMMUNITY BASED ORGANIZATION TO DEVELOP AND IMPLEMENT A~~
26 ~~COMPREHENSIVE OUTREACH SERVICES PLAN UNDER THIS SECTION.~~
- 27 (H) ~~AFTER OCTOBER 1, 1999, IN AWARDING A CONTRACT TO PROVIDE HEALTH~~
28 ~~CARE SERVICES UNDER THE MARYLAND MEDICAL ASSISTANCE PROGRAM, THE~~
29 ~~SECRETARY SHALL GIVE A PREFERENCE TO:~~
- 30 (1) ~~A MANAGED CARE ORGANIZATION THAT THE SECRETARY~~
31 ~~DETERMINES HAS DEMONSTRATED A SUCCESSFUL OUTCOME IN IMPLEMENTING A~~
32 ~~COMPREHENSIVE OUTREACH SERVICES PLAN; OR~~
- 33 (2) ~~A MANAGED CARE PROVIDER THAT IN THE PRIVATE SECTOR HAS~~
34 ~~DEMONSTRATED A SUCCESSFUL OUTCOME IN IMPLEMENTING THE EQUIVALENT OF~~
35 ~~A COMPREHENSIVE OUTREACH SERVICES PLAN.~~

1 15-103.

2 (b) (1) As permitted by federal law or waiver, the Secretary may establish a
 3 program under which Program recipients are required to enroll in managed care
 4 organizations.

5 (12) (i) Each managed care organization shall notify each enrollee when
 6 the enrollee should obtain an immunization, examination, or other wellness service.

7 (ii) EACH [Managed care organizations] MANAGED CARE
 8 ORGANIZATION shall:

9 1. Maintain evidence of compliance with paragraph (9)[(i)]
 10 of this subsection; and

11 2. [Upon request by the Department, provide] PROVIDE to
 12 the Department, UPON INITIAL APPLICATION TO PROVIDE HEALTH CARE SERVICES
 13 TO ENROLLEES AND ON AN ANNUAL BASIS THEREAFTER, evidence of compliance with
 14 paragraph (9)[(i)] of this subsection, INCLUDING SUBMISSION OF A WRITTEN PLAN.

15 (iii) A managed care organization that does not comply with
 16 subparagraph (i) of this paragraph for at least 90% of its new enrollees:

17 1. Within 90 days of their enrollment may not receive more
 18 than 80% of its capitation payments;

19 2. Within 180 days of their enrollment may not receive more
 20 than 70% of its capitation payments; and

21 3. Within 270 days of their enrollment may not receive more
 22 than 50% of its capitation payments.

23 (IV) IF A MANAGED CARE ORGANIZATION DOES NOT COMPLY WITH
 24 THE REQUIREMENTS OF PARAGRAPH (9) OF THIS SUBSECTION, THE DEPARTMENT
 25 MAY CONTRACT WITH ANY COMMUNITY-BASED HEALTH ORGANIZATION THAT THE
 26 DEPARTMENT DETERMINES IS WILLING AND ABLE TO PERFORM COMPREHENSIVE
 27 OUTREACH SERVICES TO ENROLLEES.

28 (V) IN ADDITION TO THE PROVISIONS OF SUBPARAGRAPH (IV) OF
 29 THIS PARAGRAPH, IF A MANAGED CARE ORGANIZATION DOES NOT COMPLY WITH
 30 THE REQUIREMENTS OF PARAGRAPH (9) OF THIS SUBSECTION OR FAILS TO PROVIDE
 31 EVIDENCE OF COMPLIANCE TO THE DEPARTMENT UNDER SUBPARAGRAPH (II) OF
 32 THIS PARAGRAPH, THE DEPARTMENT MAY:

33 1. IMPOSE A FINE ON THE MANAGED CARE ORGANIZATION;

34 2. SUSPEND FURTHER ENROLLMENT INTO THE MANAGED
 35 CARE ORGANIZATION;

1 3. WITHHOLD ALL OR PART OF THE CAPITATION RATE FROM
2 THE MANAGED CARE ORGANIZATION;

3 4. TERMINATE THE PROVIDER AGREEMENT; OR

4 5. DISQUALIFY THE MANAGED CARE ORGANIZATION FROM
5 FUTURE PARTICIPATION IN THE MARYLAND MEDICAID MANAGED CARE PROGRAM.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 1998.