

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 650 (Senator Van Hollen. *et al.*)

Finance

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Medical Assistance - Managed Care Organizations - Comprehensive Outreach  
Services

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This bill requires each Medicaid managed care organization (MCO) to submit to the Department of Health and Mental Hygiene (DHMH) evidence of compliance with current law MCO quality, outreach, and access standards established by DHMH for participation in the Medicaid managed care program (“HealthChoice”). This information, including a written plan for outreach, must be provided to DHMH upon initial application to participate in HealthChoice and annually thereafter.

The bill provides that if an MCO does not comply with the above-mentioned requirements, DHMH may contract with any community-based health organization that is willing and able to perform comprehensive outreach services to enrollees. In addition, the bill provides that if an MCO fails to meet the standards required by DHMH or fails to demonstrate compliance with those standards, DHMH is authorized to: (1) impose a fine; (2) suspend the enrollment of Medicaid recipients into the MCO; (3) withhold all or part of the MCO capitation rate; (4) terminate the MCO’s provider agreement; or (5) disqualify the MCO from further participation in HealthChoice.

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Fiscal Summary

**State Effect:** If outreach to Medicaid recipients improves and, consequently, enrollment in HealthChoice increases as a result of this bill, expenditures for the Medicaid program could increase by an indeterminate amount. Potential increase in general fund revenues from fines imposed on MCOs that fail to meet or comply with the Medicaid MCO standards for quality, outreach, and access.

**Local Effect:** None.

**Small Business Effect:** None.

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**Information Source(s):** Department of Health and Mental Hygiene (Medical Care Policy Administration, Licensing and Certification), Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 1998  
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