BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 135
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with "requiring" in line 5 down through "circumstances;" in line 7; in line 12, after "decision" insert "under certain circumstances"; in line 14, after "circumstances;" insert "requiring certain health insurance carriers to include certain information in their enrollment sales materials;"; in line 16, after "insurance;" insert "providing for the funding of certain activities of the Maryland Insurance Administration;"; in line 21, after "cancer;" insert "requiring the Secretary of Health and Mental Hygiene to conduct a certain review and submit a certain report;"; and after line 28, insert:

"BY repealing and reenacting, with amendments,
Article - Insurance
Section 2-112.2(b), 2-112.3, and 15-10A-09(b)
Annotated Code of Maryland
(1997 Volume and 1998 Supplement)".

On page 2, in line 6, strike "and 15-831" and substitute "15-831, and 15-832"; and strike in their entirety lines 9 through 13, inclusive.

AMENDMENT NO. 2

On page 2, in line 18, strike "AND 15-831" and substitute "15-831 AND 15-832"; after line 20, insert:

"2-112.2.

(b) The Commissioner shall:

(1) collect a health care regulatory assessment from each carrier for the costs

attributable to the implementation of § 2-303.1 OF THIS TITLE AND Title 15, Subtitles 10A, 10B, and 10C of this article; and

(2) deposit the amounts collected under paragraph (1) of this subsection into the Health Care Regulatory Fund established in § 2-112.3 of this subtitle.

2-112.3.

(a) In this section, "Fund" means the Health Care Regulatory Fund.

(b) There is a Health Care Regulatory Fund.

(c) The purpose of the Fund is to pay all costs and expenses incurred by the Administration related to the implementation of § 2-303.1 OF THIS TITLE AND Title 15, Subtitles 10A, 10B, and 10C of this article.

(d) The Fund shall consist of:

(1) all revenue deposited into the Fund that is received through the imposition and collection of the health care regulatory assessment under § 2-112.2 of this subtitle; and

(2) income from investments that the State Treasurer makes for the Fund.

(e) (1) Expenditures from the Fund to cover the costs and expenses for the implementation of § 2-303.1 OF THIS TITLE AND Title 15, Subtitles 10A, 10B, and 10C of this article may only be made:

(i) with an appropriation from the Fund approved by the General Assembly in the annual State budget; or

(ii) by the budget amendment procedure provided for in § 7-209 of the State Finance and Procurement Article.

(2) (i) If, in any given fiscal year, the amount of the health care regulatory

assessment revenue collected by the Commissioner and deposited into the Fund exceeds the actual expenditures incurred by the Administration for the implementation of § 2-303.1 OF THIS TITLE AND Title 15, Subtitles 10A, 10B, and 10C of this article, the excess amount shall be carried forward within the Fund for the purpose of reducing the assessment imposed by the Administration for the following fiscal year.

(ii) If, in any given fiscal year, the amount of the health care regulatory assessment revenue collected by the Commissioner and deposited into the Fund is insufficient to cover the actual expenditures incurred by the Administration to implement § 2-303.1 OF THIS TITLE AND Title 15, Subtitles 10A, 10B, and 10C of this article because of an unforeseen emergency and expenditures are made in accordance with the budget amendment procedure provided for in § 7-209 of the State Finance and Procurement Article, an additional health care regulatory assessment may be made.

(f) (1) The State Treasurer is the custodian of the Fund.

(2) The Fund shall be invested and reinvested in the same manner as State funds.

(3) The State Treasurer shall deposit payments received from the Commissioner into the Fund.

(g) (1) The Fund is a continuing, nonlapsing fund and is not subject to § 7-302 of the State Finance and Procurement Article, and may not be deemed a part of the General Fund of the State.

(2) No part of the Fund may revert or be credited to:

(i) the General Fund of the State; or

(ii) a special fund of the State, unless otherwise provided by law.".

On page 3, after line 27, insert:

"(C) IMPLEMENTATION OF THIS SECTION BY THE ADMINISTRATION SHALL BE FUNDED THROUGH THE HEALTH CARE REGULATORY FUND AS ESTABLISHED UNDER § 2-112.3 OF THIS TITLE.".

AMENDMENT NO. 3

On page 3, in line 19, strike "AND"; after line 19 insert:

"(5) THE DEPARTMENT OF AGING; AND";

and in line 20, strike "(5)" and substitute "(6)".

AMENDMENT NO. 4

On page 4, strike lines 23 and 24 in their entirety and substitute:

"(5) "SPECIALIST" MEANS A PHYSICIAN WHO IS CERTIFIED OR TRAINED TO PRACTICE IN A SPECIFIED FIELD OF MEDICINE AND WHO IS NOT DESIGNATED AS A PRIMARY CARE PROVIDER BY THE CARRIER.".

AMENDMENT NO. 5

On page 4, in line 27, after "SPECIALIST" insert "FOR TREATMENT OF A SPECIFIC DISEASE OR CONDITION".

AMENDMENT NO. 6

On page 5, in lines 10 and 11, strike "THAT IS APPROVED BY THE CARRIER IN CONSULTATION WITH" and substitute "FOR A COVERED SERVICE DEVELOPED BY".

AMENDMENT NO. 7

On pages 5 and 6, strike in their entirety the lines beginning with line 22 on page 5 through line 18 on page 6, inclusive.

AMENDMENT NO. 8

On page 6, in line 19, strike "(D)" and substitute "(C)"; strike in their entirety lines 26 through 30, inclusive, and substitute:

"(II) THE CARRIER DOES NOT HAVE IN ITS PROVIDER PANEL A SPECIALIST WITH THE PROFESSIONAL TRAINING AND EXPERTISE TO TREAT THE DISEASE OR CONDITION; AND";

and in line 31, strike "(IV)" and substitute "(III)".

AMENDMENT NO. 9

On page 7, strike in their entirety lines 1 through 4, inclusive, and substitute:

"(D) A DECISION BY A CARRIER NOT TO PROVIDE ACCESS TO OR COVERAGE OF TREATMENT BY A SPECIALIST IN ACCORDANCE WITH THIS SECTION CONSTITUTES AN ADVERSE DECISION AS DEFINED UNDER SUBTITLE 10A OF THIS TITLE IF THE DECISION IS BASED ON A FINDING THAT THE PROPOSED SERVICE IS NOT MEDICALLY NECESSARY, APPROPRIATE, OR EFFICIENT.".

AMENDMENT NO. 10

On page 7, in line 5, strike "(F)" and substitute "(E)"; after line 9 insert:

"(2) "AUTHORIZED PRESCRIBER" HAS THE MEANING STATED IN § 12-101 OF THE HEALTH OCCUPATIONS ARTICLE.";

in lines 10 and 12, strike "(2)" and "(3)", respectively, and substitute "(3)" and "(4)", respectively; in lines 11 and 13, in each instance, strike "AN ENTITY" and substitute "A CARRIER"; in line 13, after "BENEFITS" insert "FOR PRESCRIPTION DRUGS OR DEVICES"; after line 23, insert:

"(2) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION THAT PROVIDES COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES THROUGH A PHARMACY BENEFIT MANAGER IS SUBJECT TO THE REQUIREMENTS OF THIS SECTION.";

in line 24, strike "(2)" and substitute "(3)"; in line 26, strike "ENTITY" and substitute "CARRIER"; in line 29, after "THE" insert "CARRIER'S"; and in line 33, strike "PHYSICIAN WHO IS CARING FOR THE MEMBER" and substitute "AUTHORIZED PRESCRIBER".

(Over)

On page 8, in line 2, after the semicolon insert "OR"; in lines 2 and 5, in each instance, after "THE" insert "CARRIER'S"; strike lines 3 and 4 in their entirety; in line 5, strike "(3)" and substitute "(2)"; and strike in their entirety lines 11 through 17, inclusive, and substitute:

"(E) A DECISION BY A CARRIER NOT TO PROVIDE ACCESS TO OR COVERAGE OF A PRESCRIPTION DRUG OR DEVICE IN ACCORDANCE WITH THIS SECTION CONSTITUTES AN ADVERSE DECISION AS DEFINED UNDER SUBTITLE 10A OF THIS TITLE IF THE DECISION IS BASED ON A FINDING THAT THE PROPOSED DRUG OR DEVICE IS NOT MEDICALLY NECESSARY, APPROPRIATE, OR EFFICIENT.".

AMENDMENT NO. 11

On page 8, before line 18, insert:

"15-831.

(A) (1) THIS SECTION APPLIES TO:

(I) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES UNDER HEALTH INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

(II) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.

(2) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION THAT PROVIDES COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES THROUGH A PHARMACY BENEFIT MANAGER IS SUBJECT TO THE REQUIREMENTS OF THIS SECTION.

(3) THIS SECTION DOES NOT APPLY TO A MANAGED CARE ORGANIZATION AS DEFINED IN § 15-101 OF THE HEALTH - GENERAL ARTICLE.

(B) EACH CARRIER SHALL POSE AND RESPOND TO THE FOLLOWING QUESTIONS IN ITS ENROLLMENT SALES MATERIALS:

"DOES THIS PLAN LIMIT OR EXCLUDE CERTAIN DRUGS MY HEALTH CARE PROVIDER MAY PRESCRIBE OR ENCOURAGE SUBSTITUTIONS FOR SOME DRUGS?

WHEN CAN MY PLAN CHANGE THE APPROVED DRUG LIST (FORMULARY)? IF A CHANGE OCCURS, WILL I HAVE TO PAY MORE TO USE A DRUG I HAD BEEN USING?

WHAT SHOULD I DO IF I WANT A CHANGE FROM LIMITATIONS, EXCLUSIONS, SUBSTITUTIONS, OR COST INCREASES FOR DRUGS SPECIFIED IN THIS PLAN?

HOW MUCH DO I HAVE TO PAY TO GET A PRESCRIPTION FILLED?

DO I HAVE TO USE CERTAIN PHARMACIES TO PAY THE LEAST OUT OF MY OWN POCKET UNDER THIS HEALTH PLAN?

HOW MANY DAYS' SUPPLY OF MOST MEDICATIONS CAN I GET WITHOUT PAYING ANOTHER CO-PAY OR OTHER REPEATING CHARGE?

WHAT OTHER PHARMACY SERVICES DOES MY HEALTH PLAN COVER?";

and in line 30, strike "15-831." and substitute "15-832.".

AMENDMENT NO. 12

On pages 9 and 10, strike beginning with "new" in line 36 on page 9 through "2000" in line 2 on page 10 and substitute "policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 1999. Any policy or health benefit plan in effect before October 1, 1999, shall comply with the provisions of this Act no later than October 1, 2000".

(Over)

AMENDMENT NO. 13

On page 10, after line 2 insert:

"SECTION 4. AND BE IT FURTHER ENACTED, That the Secretary of Health and Mental Hygiene shall review the extent to which managed care organizations in the Medical Assistance Program are required to meet the same or similar requirements imposed on carriers under this Act, and, subject to § 2-1246 of the State Government Article, shall report his findings by November 1, 1999 to the Senate Finance Committee and the House Environmental Matters Committee. If the Secretary finds that managed care organizations are not required to meet the same or similar requirements, the Secretary shall also report the cost of imposing those requirements on the managed care organizations.";

in line 3, strike "4." and substitute "5."; in line 4, strike "July 1," and substitute "October 1,"; and in line 5, strike "June 30," and substitute "September 30,".