
By: **Delegates Eckardt and Donoghue**
Introduced and read first time: February 11, 1999
Assigned to: Economic Matters

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 offer the contract in all jurisdictions of the State and to consider the entire State
7 a single service area for purposes of determining premiums; requiring certain
8 health maintenance organizations that have entered into a certain contract to
9 establish a certain premium if the health maintenance organization establishes
10 or alters in a certain manner an already established premium it charges to its
11 enrollees; defining certain terms; and generally relating to premiums charged
12 by Medicare risk health maintenance organizations.

13 BY adding to
14 Article - Health - General
15 Section 19-7B-01 to be under the new subtitle "Subtitle 7B. Medicare Risk
16 Health Maintenance Organizations"
17 Annotated Code of Maryland
18 (1996 Replacement Volume and 1998 Supplement)

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

21 **Article - Health - General**

22 **SUBTITLE 7B. MEDICARE RISK HEALTH MAINTENANCE ORGANIZATIONS.**

23 19-7B-01.

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

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

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

9 (B) A HEALTH MAINTENANCE ORGANIZATION THAT HAS ENTERED INTO A
10 RISK-SHARING CONTRACT TO OFFER MEDICARE BENEFITS UNDER A CONTRACT TO
11 BE DELIVERED OR ISSUED IN THE STATE SHALL:

12 (1) OFFER THE CONTRACT IN ALL JURISDICTIONS OF THE STATE; AND

13 (2) CONSIDER THE ENTIRE STATE A SINGLE SERVICE AREA FOR
14 PURPOSES OF DETERMINING PREMIUMS FOR ENROLLEE MEMBERS UNDER THE
15 MEDICARE PROGRAM.

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

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 June 1, 1999.