

SENATE BILL 596

Unofficial Copy  
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1999 Regular Session  
9r2029  
CF 9r2240

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By: **Senator Dyson**

Introduced and read first time: February 5, 1999

Assigned to: Finance

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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.