

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 4

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Vallario” and substitute “Vallario, W. Baker, Barkley, Bobo, Brown, Cane, Clagett, Conroy, DeCarlo, Donoghue, Doory, Dypski, Finifter, Franchot, Frush, Giannetti, Goldwater, Griffith, Healey, Hecht, Hubers, James, V. Jones, Klausmeier, Krysiak, Love, Mandel, Marriott, McHale, Moe, Morhaim, Nathan-Pulliam, Pendergrass, Pitkin, Rosso, Stern, Stocksdale, Turner, Valderrama, Weir, and Zirkin”; in line 3, after “of” insert “requiring nonprofit hospitals to perform a certain annual community needs assessment in consultation with certain persons; requiring nonprofit hospitals to develop a certain written plan;”; in line 6, after “public;” insert “requiring the Commission to submit a certain report to the House Economic Matters Committee and the Senate Finance Committee annually;”; and in line 12, after “facts;” insert “providing that a specific activity does not satisfy certain requirements; altering a certain standard for determining excess surplus for nonprofit health service plans;”.

On page 2, after line 1, insert:

“BY repealing and reenacting, with amendments,

Article - Insurance

Section 14-117(e)

Annotated Code of Maryland

(1997 Volume and 1999 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 22, insert:

“(4) “COMMUNITY NEEDS ASSESSMENT” MEANS THE PROCESS BY WHICH A NONPROFIT HOSPITAL IDENTIFIES UNMET COMMUNITY HEALTH CARE NEEDS AND PRIORITIES.”;

(Over)

strike beginning with "TO" in line 23 down through "NEEDS." in line 30 and substitute "EACH NONPROFIT HOSPITAL SHALL PERFORM AN ANNUAL COMMUNITY NEEDS ASSESSMENT IN CONSULTATION WITH:

(1) THE LOCAL HEALTH DEPARTMENT AND THE LOCAL HEALTH PLANNING AGENCY, WHERE APPROPRIATE, FOR THE COUNTY IN WHICH THE NONPROFIT HOSPITAL IS LOCATED;

(2) COMMUNITY LEADERS;

(3) LOCAL HEALTH CARE PROVIDERS; AND

(4) AT THE DISCRETION OF THE HOSPITAL, ANY OTHER PERSON THAT CAN ASSIST IN IDENTIFYING COMMUNITY HEALTH NEEDS.

(C) (1) BASED ON THE FINDINGS OF THE ANNUAL COMMUNITY NEEDS ASSESSMENT, EACH NONPROFIT HOSPITAL SHALL DEVELOP A WRITTEN PLAN FOR PROVIDING COMMUNITY HEALTH BENEFITS.

(2) THE WRITTEN PLAN DEVELOPED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:

(I) MEASURABLE OBJECTIVES TO BE ACHIEVED WITHIN SPECIFIC TIME FRAMES; AND

(II) MECHANISMS TO EVALUATE THE EFFECTIVENESS OF THE PLAN.;

in line 31, strike "(C)" and substitute "(D)"; and in line 33, after "PROVIDED" insert "BY THE HOSPITAL".

On page 3, after line 1, insert:

"(I) A COPY OF THE WRITTEN PLAN DEVELOPED UNDER SUBSECTION (C) OF THIS SECTION.;"

in lines 2, 3, 5, 7, and 9, strike “(I)”, “(II)”, “(III)”, “(IV)”, and “(V)” respectively, and substitute “(II)”, “(III)”, “(IV)”, “(VI)”, and “(VII)” respectively; after line 6, insert:

“(V) THE OBJECTIVES OF EACH COMMUNITY BENEFIT INITIATIVE;”;

in line 7, after “INITIATIVE” insert “BASED ON THE MEASURES CONTAINED IN THE WRITTEN PLAN”; in line 10, strike “(D)” and substitute “(E)”; in line 11, strike “(C)” and substitute “(D)”; and in line 15, strike “(E)” and substitute “(F)”.

AMENDMENT NO. 3

On page 4, in line 19, after “(C)” insert “EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,”; in the same line, after “THE” insert “PUBLIC SERVICE”; after line 33, insert:

“(D) THE COMMISSIONER MAY NOT CONSIDER THE FACT THAT A NONPROFIT HEALTH SERVICE PLAN OFFERS A PRODUCT THROUGH THE SUBSTANTIAL, AVAILABLE, AFFORDABLE COVERAGE PROGRAM WHEN DETERMINING WHETHER THE PLAN HAS SATISFIED THE REQUIREMENTS OF SUBSECTION (B)(2) OF THIS SECTION.”;

and in line 34, strike “(D)” and substitute “(E)”.

On page 5, in line 5, strike “EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,”; in line 7, strike “MET” and substitute “SATISFIED”; strike beginning with “BE” in line 8 down through “FILED” in line 10 and substitute “HAVE ONE YEAR FROM THE DATE THE COMMISSIONER ISSUED THE ORDER UNDER SUBSECTION (A) OF THIS SECTION TO COMPLY WITH THE REQUIREMENTS OF § 14-106 OF THIS SUBTITLE”; after line 10, insert:

“(2) IF AFTER THE TIME PERIOD PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION THE COMMISSIONER DETERMINES THAT A NONPROFIT HEALTH SERVICE PLAN HAS NOT SATISFIED THE REQUIREMENTS OF § 14-106 OF THIS SUBTITLE, THE NONPROFIT HEALTH SERVICE PLAN SHALL BE SUBJECT TO THE

PREMIUM TAX UNDER TITLE 6, SUBTITLE 1 OF THIS ARTICLE, BEGINNING IN THE NEXT CALENDAR YEAR.”;

in line 11, strike “(2)” and substitute “(C)”; in line 13, strike “(I)” and substitute “(1)”; in line 15, strike “(II)” and substitute “(2)”; in line 17, strike “(3)” and substitute “(D)”; and after line 19, insert:

“14-117.

(e) (1) The surplus of a corporation authorized under this subtitle may be considered to be excessive only if:

(i) the surplus is greater than [30% of the total earned premium received by the corporation in] THE APPLICABLE RISK BASED CAPITAL REQUIREMENTS AS DETERMINED BY THE COMMISSIONER FOR the immediately preceding calendar year; and

(ii) after a hearing, the Commissioner determines that the surplus is unreasonably large.

(2) After the Commissioner has determined the surplus of a corporation authorized under this subtitle to be excessive, the Commissioner:

(i) may order the corporation to submit a plan for distribution of the excess in a fair and equitable manner; or

(ii) if the corporation fails to submit a plan of distribution within 60 days, may compile a plan and order the corporation to implement it.

(3) A distribution ordered under paragraph (2) of this subsection may be made only to subscribers who are covered by the corporation's nonprofit health service plan at the time the distribution is made.”.

AMENDMENT NO. 4

On page 5, after line 19, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That, each year, the Health Services Cost Review Commission shall submit a copy of the Annual Nonprofit Hospital Community Health Benefit Report required under this Act to the House Economic Matters Committee and the Senate Finance Committee.”;

and in line 20, strike “2.” and substitute “3.”.