

BY: Conference Committee

AMENDMENTS TO HOUSE BILL NO. 5

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 11, after "Program;" insert "requiring the Insurance Commissioner to consult with the Secretary of Health and Mental Hygiene before taking certain action;"; and in line 19, after "methodology;" insert "specifying that certain provisions of law apply to a certain contract; providing for a certain exemption;".

On page 2, strike beginning with "specifying" in line 12 down through "organization;" in line 13 and substitute "requiring a contracting provider to submit certain information to a health maintenance organization; specifying the time frames within which certain reports and financial statements must be filed with a certain health maintenance organization;"; in line 14, after "fund;" insert "authorizing the Commissioner to consider certain facts when determining the sufficiency of a certain fund; requiring a certain fund to be held in trust;"; strike beginning with "requiring" in line 15 down through "laws;" in line 17, inclusive; in line 17, strike "audits" and substitute "reviews and inspections"; in line 41, strike "specifying that the failure of" and substitute "requiring"; strike beginning with "is" in line 42 down through "law" in line 43; in line 44, after "provider" insert "for a certain purpose"; in line 45, after "providers;" insert "establishing a certain fee;"; and in line 47, strike "requirements" and substitute "procedures".

On page 3, strike beginning with "requiring" in line 2 down through "date" in line 4 and substitute "providing for the application of this Act"; in line 21, strike "19-729,"; and in line 26, after "19-712(c)" insert "and (d)".

AMENDMENT NO. 2

On page 4, in line 21, after "(c)" insert "(1)"; in line 22, after "19-712" insert "(B), (C), AND (D)"; and after line 24, insert:

"(2) THE INSURANCE COMMISSIONER SHALL CONSULT WITH THE

(Over)

SECRETARY BEFORE TAKING ANY ACTION AGAINST A MANAGED CARE ORGANIZATION UNDER THIS SUBSECTION.”.

On page 5, after line 28, insert:

“(D) SUBSECTIONS (B) AND (C) OF THIS SECTION APPLY TO A CONTRACT BETWEEN A HEALTH MAINTENANCE ORGANIZATION AND ANY COMPANY AFFILIATED WITH THE HEALTH MAINTENANCE ORGANIZATION THROUGH COMMON OWNERSHIP WITHIN AN INSURANCE HOLDING COMPANY SYSTEM, THAT MEETS THE DEFINITION OF A CONTRACTING PROVIDER UNDER § 19-713.2 OF THIS SUBTITLE.”.

AMENDMENT NO. 3

On page 6, in line 7, strike “PERSON” and substitute “HEALTH CARE PROVIDER”; after line 10, insert:

“(B) THIS SECTION DOES NOT APPLY TO A CONTRACT BETWEEN A HEALTH MAINTENANCE ORGANIZATION AND A CONTRACTING PROVIDER THAT IS AFFILIATED WITH THE HEALTH MAINTENANCE ORGANIZATION THROUGH COMMON OWNERSHIP WITHIN AN INSURANCE HOLDING COMPANY SYSTEM, IF THE HEALTH MAINTENANCE ORGANIZATION:

(1) FILES WITH THE COMMISSIONER CONSOLIDATED FINANCIAL STATEMENTS THAT INCLUDE THE CONTRACTING PROVIDER; AND

(2) RECORDS A RESERVE FOR THE LIABILITIES OF THE CONTRACTING PROVIDER IN ACCORDANCE WITH § 5-201 OF THIS ARTICLE.”;

in lines 11 and 18, in each instance, strike “(b)” and substitute “(C)”; in lines 14 and 18, in each instance, strike “(c)” and substitute “(D)”; in line 20, strike “regular” and substitute “MONTHLY”; in the same line, strike “at least quarterly” and substitute “WITHIN 30 DAYS OF THE END OF THE MONTH REPORTED”; in line 24, strike “, AUDITED”; in line 25, after “year” insert “, WITHIN 90 DAYS OF THE END OF THE YEAR REPORTED”; in line 28, after “ESTABLISH” insert “AND MAINTAIN”; in line 28, after “FORM” insert “AND AN AMOUNT”; strike beginning with “THAT” in line 28 down through “(I)” in line 30 and substitute “WHICH MAY INCLUDE WITHHELD”

FUNDS, ESCROW ACCOUNTS, LETTERS OF CREDIT, OR SIMILAR ARRANGEMENTS, OR REQUIRE THE AVAILABILITY OF OTHER RESOURCES THAT ARE"; and strike beginning with "AND" in line 33 down through "PROVIDER;" in line 36.

On page 7, in line 1, strike "an explanation of how" and substitute "THE CONTRACTING PROVIDER TO SUBMIT TO THE HEALTH MAINTENANCE ORGANIZATION INFORMATION DEMONSTRATING THAT"; in line 4, after "organization;" insert "AND"; in line 10, strike the semicolon and substitute a period; in line 7, strike "audit" and substitute "REVIEW"; strike in their entirety lines 11 through 17, inclusive, and substitute:

"(E) IN DETERMINING THE SUFFICIENCY OF A SEGREGATED FUND, THE COMMISSIONER MAY CONSIDER WHETHER EXTERNAL PROVIDERS ARE OWNED OR CONTROLLED BY THE CONTRACTING PROVIDER.

(F) THE SEGREGATED FUND OR OTHER RESOURCES ESTABLISHED AS A RESULT OF AN ADMINISTRATIVE SERVICE PROVIDER CONTRACT:

(1) SHALL BE HELD IN TRUST FOR PAYMENT TO EXTERNAL PROVIDERS; AND

(2) MAY NOT BE CONSIDERED AN ASSET OR AN ACCOUNT OF THE CONTRACTING PROVIDER FOR THE PURPOSE OF DETERMINING THE ASSETS OR ACCOUNTS OF A BANKRUPT CONTRACTING PROVIDER.";

in line 18, strike "(d)" and substitute "(G)"; strike in their entirety lines 20 through 34, inclusive; and in line 35, strike "(F)" and substitute "(H)".

On page 8, after line 6, insert:

"(I) THE HEALTH MAINTENANCE ORGANIZATION SHALL FILE WITH THE COMMISSIONER, THE RESULTS OF EACH QUARTERLY REVIEW REQUIRED UNDER SUBSECTION (D)(5) OF THIS SECTION."

in line 7, strike “(G)” and substitute “(J)”; strike beginning with “(H)” in line 10 down through “days.” in line 12; strike in their entirety lines 13 through 15, inclusive; in line 16, strike “(J)” and substitute “(K)”; strike beginning with “IT” in line 16 down through the second “TO” in line 17 and substitute “A HEALTH MAINTENANCE ORGANIZATION AND A CONTRACTING PROVIDER SHALL”; in line 18, after “CONTRACT” insert “AS REQUIRED UNDER THIS SECTION AND § 19-712 OF THIS SUBTITLE”; after line 18, insert:

“(L) IF A CONTRACTING PROVIDER FAILS TO COMPLY WITH THE PLAN OR THE ADMINISTRATIVE SERVICE PROVIDER CONTRACT, AS REQUIRED UNDER SUBSECTIONS (G) AND (K) OF THIS SECTION, THE COMMISSIONER MAY IMPOSE A FINE NOT EXCEEDING \$125,000 OR SUSPEND OR REVOKE THE REGISTRATION OF THE CONTRACTING PROVIDER UNDER § 19-713.3 OF THIS SUBTITLE, OR BOTH.”.

AMENDMENT NO. 4

On page 8, strike beginning with the colon in line 31 down through “(I)” in line 32; in line 34, strike “(D)” and substitute “(E)”; and in the same line, strike “; AND” and substitute a period.

On pages 8 and 9, strike in their entirety the lines beginning with line 35 on page 8 through line 2 on page 9, inclusive.

On page 9, in line 3, strike “(I)”; and after line 4, insert:

“(D) THE COMMISSIONER MAY CHARGE A REGISTRATION FEE SUFFICIENT TO COVER THE COST OF IMPLEMENTING THIS SECTION.

“(E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION AND § 19-713.2 OF THIS SUBTITLE.”.

AMENDMENT NO. 5

On pages 9 and 10, strike in their entirety the lines beginning with line 5 on page 9 through line 20 on page 10, inclusive.

AMENDMENT NO. 6

On page 11, strike in their entirety lines 2 through 5, inclusive, and substitute:

“(2) IN ADDITION TO SUSPENDING OR REVOKING A CERTIFICATE OF AUTHORITY:

(I) IMPOSE A PENALTY OF NOT LESS THAN \$100, BUT NOT MORE THAN \$125,000 FOR EACH VIOLATION; AND

(II) ORDER THE HEALTH MAINTENANCE ORGANIZATION TO PAY RESTITUTION TO ANY PERSON WHO HAS SUFFERED FINANCIAL INJURY BECAUSE OF THE VIOLATION;”;

in lines 6, 8, and 12, strike “(4)”, “(5)”, and “(6)” respectively, and substitute “(3)”, “(4)”, and “(5)” respectively; and strike beginning with the first “IN” in line 15 down through “(C)” in line 20.

AMENDMENT NO. 7

On page 25, strike in their entirety lines 9 through 17, inclusive, and substitute:

“SECTION 3. AND BE IT FURTHER ENACTED, That this Act applies to an administrative service provider contract entered into on or after June 1, 2000. An administrative service provider contract in effect before June 1, 2000 shall comply with the provisions of this Act no later than January 1, 2001.”;

and in line 19, strike “July” and substitute “June”.