HOUSE BILL 2 SECOND PRINTING

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2000 Regular Session 01r0949

(PRE-FILED)

By: Delegates Taylor, Busch, Guns, Dewberry, Hurson, Arnick, Harrison, Hixson, Howard, Kopp, Menes, Montague, Rawlings, Rosenberg, and Vallario

Requested: November 15, 1999

Introduced and read first time: January 12, 2000

Assigned to: Economic Matters and Environmental Matters

A BILL ENTITLED

1 AN ACT concerni	ng
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2	Children's Health Program	Expansion Act of 20	UU

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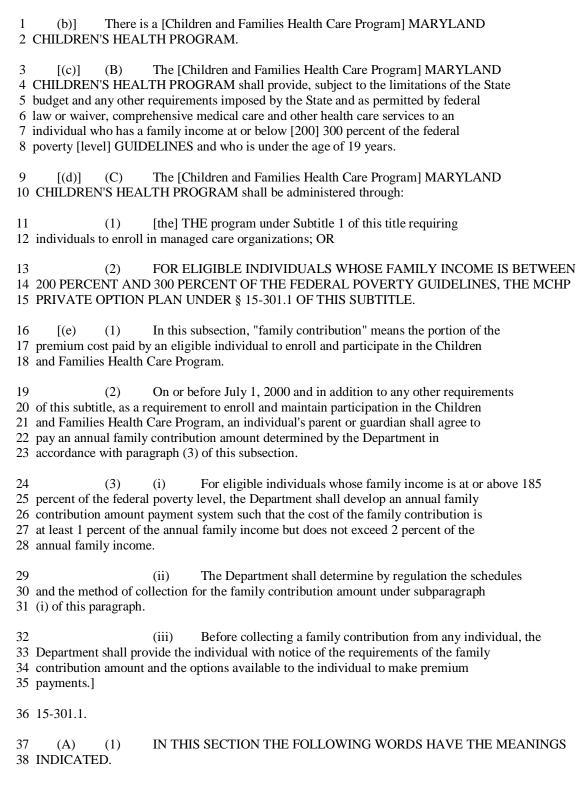
- 4 Program to certain individuals under a private option plan; requiring that
- 5 certain individuals enrolled in the Program receive health benefits through an
- employer-sponsored health benefit plan or a certain managed care organization; 6
- establishing certain criteria for approval of a certain employer-sponsored health 7
- 8 benefit plan; providing that certain individuals enrolled in the Program receive
- health benefits through certain managed care organizations; requiring the 9
- 10 Department of Health and Mental Hygiene to perform certain administrative
- duties; requiring certain parents and guardians to pay a certain family 11
- contribution; changing the name of the Children and Families Health Care 12
- 13 Program; providing that certain individuals are exempt from certain enrollment
- 14 restrictions; defining certain terms; providing for a delayed effective date; and
- 15 generally relating to health insurance coverage for children.

16 BY adding to

- Article Health General 17
- 18 Section 15-301.1
- 19 Annotated Code of Maryland
- (1994 Replacement Volume and 1999 Supplement) 20
- 21 BY repealing and reenacting, with amendments,
- Article Health General 22
- 23 Section 15-101(f) and 15-301 through 15-304, inclusive, to be under the
- amended subtitle "Subtitle 3. Maryland Children's Health Program" 24
- 25 Annotated Code of Maryland
- (1994 Replacement Volume and 1999 Supplement) 26
- 27 BY repealing and reenacting, without amendments,
- 28 Article - Health - General

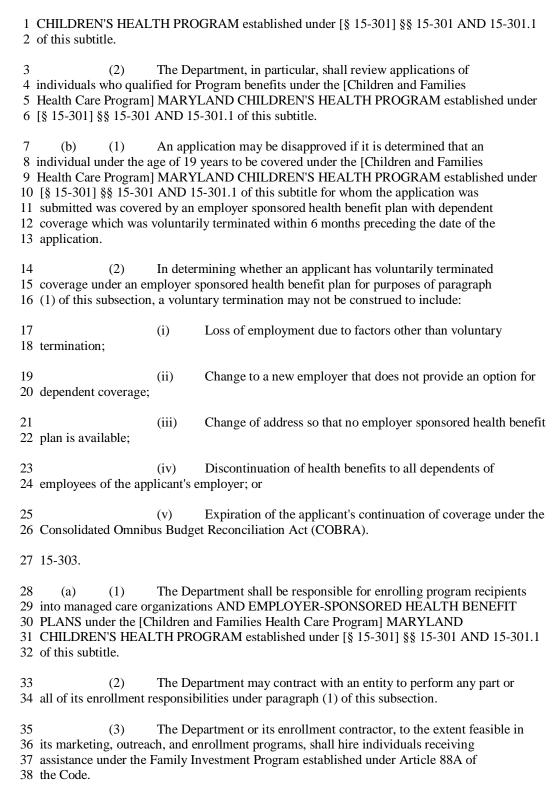
Section 15-305 Annotated Code of Maryland (1994 Replacement Volume and 1999 Supplement)
BY repealing and reenacting, with amendments, Article - Insurance Section 15-1208, 15-1406, and 27-220 Annotated Code of Maryland (1997 Volume and 1999 Supplement)
SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
Article - Health - General
15-101.
(f) "Managed care organization" means:
(1) A certified health maintenance organization that is authorized to receive medical assistance prepaid capitation payments; or
(2) A corporation that:
(i) Is a managed care system that is authorized to receive medical assistance prepaid capitation payments;
(ii) Enrolls only program recipients or individuals or families served under the [Children and Families Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM; and
(iii) Is subject to the requirements of § 15-102.4 of this title.
Subtitle 3. [Children and Families Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM.
15-301.
(a) [In this section, "carrier" means:
(1) An insurer;
(2) A nonprofit service plan;
(3) A health maintenance organization; or

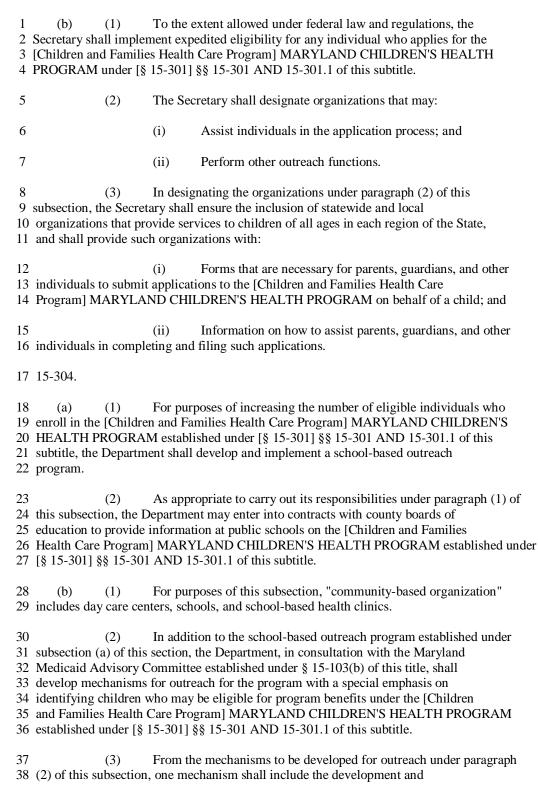
30 (4) Any other person that provides health benefit plans subject to 31 regulation by the State.

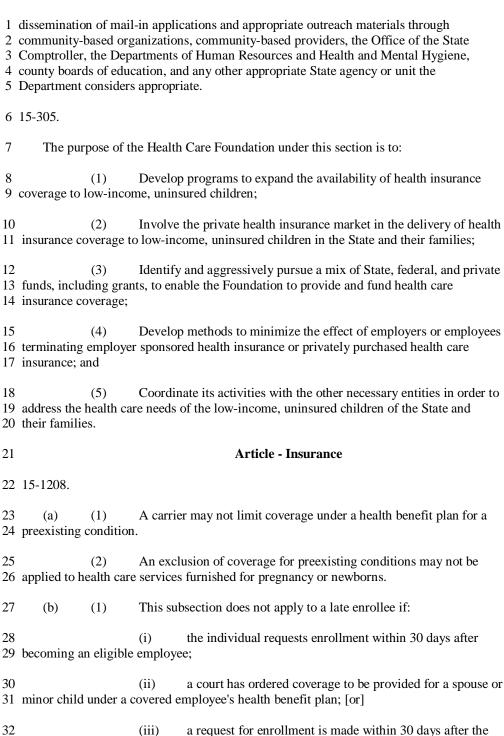


1	(2)	"CARR	IER" MEANS:
2		(I)	AN INSURER;
3		(II)	A NONPROFIT SERVICE PLAN;
4		(III)	A HEALTH MAINTENANCE ORGANIZATION; OR
5 6	SUBJECT TO REGU	(IV) JLATION	ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS BY THE STATE.
9	OF THIS SUBTITLE	HE MAR E AND W	BLE INDIVIDUAL" MEANS AN INDIVIDUAL WHO QUALIFIES TO CYLAND CHILDREN'S HEALTH PROGRAM UNDER § 15-301(B) HOSE FAMILY INCOME IS BETWEEN 200 PERCENT AND 300 AL POVERTY GUIDELINES.
	COST PAID BY AN	ELIGIB	LY CONTRIBUTION" MEANS THE PORTION OF THE PREMIUM LE INDIVIDUAL TO ENROLL AND PARTICIPATE IN THE HEALTH PROGRAM.
16		ΓΙΟΝ FO	PRIVATE OPTION PLAN" MEANS THE PLAN ESTABLISHED R PROVIDING ACCESS TO HEALTH INSURANCE COVERAGE LS THROUGH THE MARYLAND CHILDREN'S HEALTH
18 19			APPLIES ONLY TO INDIVIDUALS WHOSE FAMILY INCOME IS ND 300 PERCENT OF THE FEDERAL POVERTY GUIDELINES.
	(C) (1) OPTION PLAN SHA PLAN IF:		GIBLE INDIVIDUAL WHO IS ENROLLED IN THE MCHP PRIVATE NSURED THROUGH AN EMPLOYER'S HEALTH BENEFIT
23 24	COVERAGE TO TH	(I) IE PARE	THE EMPLOYER OFFERS FAMILY HEALTH INSURANCE NT OR GUARDIAN OF AN ELIGIBLE INDIVIDUAL;
25 26	PRIVATE OPTION	(II) PLAN;	THE EMPLOYER ELECTS TO PARTICIPATE IN THE MCHP
27 28	INSURED UNDER	(III) THE EM	THE PARENT OR GUARDIAN OF AN ELIGIBLE INDIVIDUAL IS PLOYER-SPONSORED HEALTH BENEFIT PLAN;
29 30	COVERAGE AT A	(IV) RATE N	THE EMPLOYER CONTRIBUTES TO FAMILY HEALTH INSURANCE D LESS THAN 50 PERCENT OF ANNUAL PREMIUMS;
33		STAND	THE PLAN INCLUDES A BENEFIT PACKAGE THAT IS PARTMENT TO BE AT LEAST EQUIVALENT TO THE ARD HEALTH BENEFIT PLAN ESTABLISHED UNDER § 15-1207 CLE; AND
35 36	ON ELIGIBLE IND	(VI) IVIDUAI	THE PLAN DOES NOT IMPOSE COST SHARING REQUIREMENTS .S.

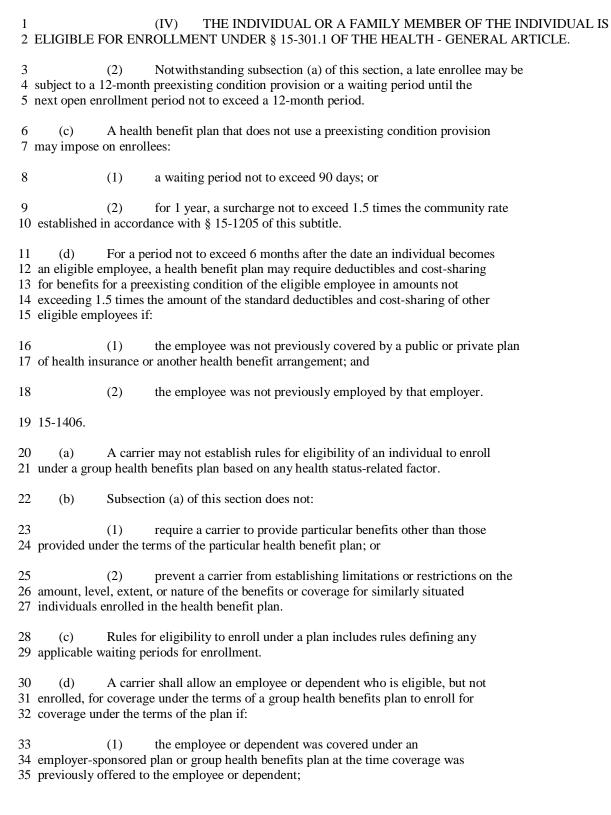
- 1 (2) IF AN EMPLOYER-SPONSORED HEALTH BENEFIT PLAN THAT MEETS
- 2 THE CRITERIA UNDER PARAGRAPH (1) OF THIS SUBSECTION IS NOT AVAILABLE TO
- 3 THE ELIGIBLE INDIVIDUAL, THE INDIVIDUAL SHALL BE INSURED THROUGH A
- 4 MANAGED CARE ORGANIZATION AS DEFINED IN § 15-101(F) OF THIS TITLE.
- 5 (D) THE DEPARTMENT SHALL FACILITATE COVERAGE OF ELIGIBLE
- 6 INDIVIDUALS UNDER AN EMPLOYER-SPONSORED HEALTH BENEFIT PLAN BY:
- 7 (1) EVALUATING EMPLOYER-SPONSORED PLANS TO DETERMINE
- 8 WHETHER SPECIFIC PLANS MEET APPLICABLE STATE AND FEDERAL
- 9 REQUIREMENTS;
- 10 (2) ASSISTING EMPLOYERS THAT WISH TO PARTICIPATE IN THE MCHP
- 11 PRIVATE OPTION PLAN TO MEET THE ELIGIBILITY CRITERIA ESTABLISHED UNDER
- 12 SUBSECTION (C) OF THIS SECTION;
- 13 (3) COLLECTING THE FAMILY CONTRIBUTION UNDER SUBSECTION (E)
- 14 OF THIS SECTION;
- 15 (4) FORWARDING THE FAMILY CONTRIBUTION AND THE STATE'S
- 16 PORTION OF THE PREMIUM DIRECTLY TO THE CARRIER; AND
- 17 (5) ASSISTING EMPLOYERS IN ENROLLING THE ELIGIBLE DEPENDENTS
- 18 OF EMPLOYEES IN THE EMPLOYER-SPONSORED PLAN.
- 19 (E) AS A REQUIREMENT OF PARTICIPATION IN THE MCHP PRIVATE OPTION
- 20 PLAN, THROUGH EITHER AN EMPLOYER-SPONSORED HEALTH BENEFIT PLAN OR A
- 21 MANAGED CARE ORGANIZATION, THE PARENT OR GUARDIAN OF AN ELIGIBLE
- 22 INDIVIDUAL SHALL AGREE TO PAY THE FOLLOWING ANNUAL FAMILY
- 23 CONTRIBUTION:
- 24 (1) FOR AN ELIGIBLE INDIVIDUAL WHOSE FAMILY INCOME IS BETWEEN
- 25 200 PERCENT AND 250 PERCENT OF THE FEDERAL POVERTY GUIDELINES, AN
- 26 AMOUNT EQUAL TO 2 PERCENT OF THE ANNUAL INCOME OF A FAMILY OF TWO AT 200
- 27 PERCENT OF THE FEDERAL POVERTY GUIDELINES; AND
- 28 (2) FOR AN ELIGIBLE INDIVIDUAL WHOSE FAMILY INCOME IS BETWEEN
- 29 251 PERCENT AND 300 PERCENT OF THE FEDERAL POVERTY GUIDELINES, AN
- 30 AMOUNT EQUAL TO 2 PERCENT OF THE ANNUAL INCOME OF A FAMILY OF TWO AT 250
- 31 PERCENT OF THE FEDERAL POVERTY GUIDELINES.
- 32 (F) THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO
- 33 IMPLEMENT THIS SECTION.
- 34 15-302.
- 35 (a) (1) The Department shall monitor applications to determine whether
- 36 employers and employees have voluntarily terminated coverage under an employer
- 37 sponsored health benefit plan that included dependent coverage in order to
- 38 participate in the [Children and Families Health Care Program] MARYLAND







33 eligible employee's marriage or the birth or adoption of a child; OR



3 4	(2) the employee states in writing, at the time coverage was previously offered, that coverage under an employer-sponsored plan or group health benefits plan was the reason for declining enrollment, but only if the plan sponsor or issuer requires the statement and provides the employee with notice of the requirement; [and]
6 7	(3) the employee's or dependent's coverage described in item (1) of this subsection:
8 9	(i) was under a COBRA continuation provision, and the coverage under that provision was exhausted; or
12 13	(ii) was not under a COBRA continuation provision, and either the coverage was terminated as a result of loss of eligibility for the coverage, including loss of eligibility as a result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment, or employer contributions towards the coverage were terminated; AND
15 16	(4) THE EMPLOYEE'S DEPENDENT IS ELIGIBLE FOR COVERAGE IN ACCORDANCE WITH § 15-301.1 OF THE HEALTH - GENERAL ARTICLE.
17	27-220.
20 21 22 23 24 25 26	An agent, broker, or insurer may not refer an individual employee or dependent of an employee to the [Children and Families Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM established under Title 15, Subtitle 3 of the Health - General Article or arrange for an individual employee or dependent of an employee to apply for the [Children and Families Health Care Program] MARYLAND CHILDREN'S HEALTH PROGRAM established under Title 15, Subtitle 3 of the Health - General Article if the agent, broker, or insurer has an economic interest in the referral or the arrangement and the agent's, broker's, or insurer's sole purpose is to separate that employee or that employee's dependent from group health insurance coverage
27	provided in connection with the employee's employment.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 29 July 1, 2001.