HOUSE BILL 1350

Unofficial Copy 2000 Regular Session
J3 0lr1842
CF 0lr3035

By: **Delegates Guns, Taylor, Amedori, R. Baker, W. Baker, Baldwin, Bartlett, Benson, Bohanan, Boutin, Bozman, Brinkley, Cadden, Cane, Carlson, Conway, D'Amato, Dobson, Donoghue, Eckardt, Edwards, Elliott, Frush, Fulton, Getty, Glassman, Hammen, Hecht, Howard, Hutchins, James, Kagan, K. Kelly, Linton, Marriott, McClenahan, McKee, Mitchell, Montague, Oaks, O'Donnell, Owings, Palumbo, Parrott, Patterson, Phillips, Proctor, Rawlings, Riley, Rudolph, Schisler, Shank, Snodgrass, Stocksdale, Stull, Swain, Turner, Walkup, and Wood**

Introduced and read first time: February 22, 2000
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

AN ACT concerning

Public Health - Senior Assistance - Insurance Subsidy for Medicare Plus Choice

FOR the purpose of establishing a certain subsidy program under which a subsidy is to be paid to insurers for certain enrollees in Medicare plus Choice; establishing certain guidelines for enrollee eligibility; establishing the eligibility criteria for participating in the subsidy program; requiring certain benefits to be provided in order to be eligible for the subsidy; allowing a managed care organization to include certain deductibles and co-payments as part of its program; requiring the Secretary of Health and Mental Hygiene to make payments to certain managed care providers within a certain period of time, to provide a certain report, and to adopt certain regulations; providing for the termination of this Act; and generally relating to a subsidy program for insurers for certain enrollees in Medicare plus Choice.

BY adding to
Article - Health - General
Section 15-601 through 15-605, inclusive, to be under the new subtitle "Subtitle 6. Maryland Medicare Plus Choice Insurance Subsidy Program"
Annotated Code of Maryland
(1994 Replacement Volume and 1999 Supplement)

Preamble

WHEREAS, Residents in fourteen Maryland counties lack access to a Medicare plus Choice managed care plan; and

WHEREAS, Fifteen percent of seniors in Maryland do not have access to a Medicare plus Choice managed care plan; and

WHEREAS, Seniors who cannot afford the higher premiums for a Medicare plus Choice managed care plan should not be deprived of access to the kind of care they need; and

WHEREAS, Maryland is among the states with the highest percentage of Medicare enrollees who lack a Medicare plus Choice managed care plan; and

WHEREAS, Medicare plus Choice managed care can provide Maryland's senior citizens with benefits they do not get under the Federal Medicare program; and

WHEREAS, Medicare plus Choice managed care plans have benefits that are not included in the federal Medicare benefit package, including prescription drugs; and

WHEREAS, An increasing number of Maryland's senior citizens who live on fixed incomes are experiencing difficulties in meeting the cost of life-sustaining prescription drugs; and

WHEREAS, The cost of providing Medicare plus Choice managed care benefits exceeded the income from premiums for these programs and thus caused managed care organizations to leave fourteen counties and medically underserved areas in Maryland; and

WHEREAS, The Maryland General Assembly recognizes the need to encourage managed care organizations to return to those counties in Maryland that have no Medicare plus Choice managed care or are designated as medically underserved areas by the federal Health Care Financing Administration of the Department of Health and Human Services; and

WHEREAS, It is the intent of the Maryland General Assembly to provide an incentive to Managed Care Organizations to provide Medicare plus Choice programs to seniors in those areas who have no Medicare managed care or are in medically underserved areas; and

WHEREAS, A subsidy to offset the premium cost for seniors who have no Medicare managed care will have a long term beneficial effect on the cost of public health in Maryland; now, therefore,

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

Article - Health - General

SUBTITLE 6. MARYLAND MEDICARE PLUS CHOICE INSURANCE SUBSIDY PROGRAM.

15-601.

(A) THERE IS A MARYLAND MEDICARE PLUS CHOICE INSURANCE SUBSIDY PROGRAM IN THE DEPARTMENT TO BE PROVIDED FOR THOSE INDIVIDUALS WHO:

(1) ARE CITIZENS OF MARYLAND AND AT LEAST 65 YEARS OF AGE;

(2) ARE ELIGIBLE FOR MEDICARE PLUS CHOICE AS DEFINED BY TITLE XVIII OF THE SOCIAL SECURITY ACT, AS AMENDED;

(3) HAVE NO MEDICARE PLUS CHOICE IN THEIR COUNTY OR HAVE NO MEDICARE PLUS CHOICE IN AN AREA DESIGNATED AS MEDICALLY UNDERSERVED BY THE FEDERAL HEALTH CARE FINANCING ADMINISTRATION OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES;

(4) PAY THE PREMIUM FOR MEDICARE PART "B" AS DETERMINED BY TITLE XVIII OF THE SOCIAL SECURITY ACT, AS AMENDED; AND

(5) PAY THE PREMIUM, CO-PAYMENTS, AND DEDUCTIBLES FOR A MEDICARE PLUS CHOICE MANAGED CARE PROGRAM.

15-602.

THE FIRST MANAGED CARE PROVIDER TO ESTABLISH A MEDICARE PLUS CHOICE MANAGED CARE INSURANCE PROGRAM IN A COUNTY OR MEDICALLY UNDERSERVED AREA THAT HAS NO MEDICARE PLUS CHOICE MANAGED CARE PROGRAM FOR CURRENT ELIGIBLE MEDICARE BENEFICIARIES OR NEW MEDICARE BENEFICIARIES SHALL BE PAID A $30 SUBSIDY PER ENROLLEE PER MONTH PROVIDED THAT:

(1) THE MANAGED CARE PROVIDER SIGNS A CONTRACT WITH THE SECRETARY GUARANTEEING THAT THEY WILL PROVIDE A MEDICARE PLUS CHOICE MANAGED CARE INSURANCE PROGRAM IN A COUNTY OR MEDICALLY UNDERSERVED AREA FOR A PERIOD OF AT LEAST 2 YEARS;

(2) THE MANAGED CARE PROVIDER APPLIES FOR AND RECEIVES APPROVAL FROM THE FEDERAL HEALTH CARE FINANCING ADMINISTRATION OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE MEDICARE PLUS CHOICE MANAGED CARE INSURANCE PROGRAM;

(3) THE PREMIUMS REMAIN THE SAME OR LESS FOR THE 2 YEAR CONTRACT PERIOD;

(4) THE REQUIRED MINIMUM BENEFITS ARE INCLUDED IN THE MEDICARE PLUS CHOICE MANAGED CARE BENEFIT PLAN;

(5) THE MANAGED CARE PROVIDER PROVIDES PROOF OF ENROLLMENT OF A BENEFICIARY ACCORDING TO REGULATIONS ADOPTED BY THE SECRETARY TO IMPLEMENT THIS SECTION;

(6) ALL PERFORMANCE REVIEW AND FINANCIAL RECORDS ARE AVAILABLE FOR REVIEW BY THE SECRETARY; AND

(7) THE MANAGED CARE PROVIDER MEETS ALL THE REQUIREMENTS OF THE MARYLAND INSURANCE COMMISSION.

15-603.

IN ORDER TO QUALIFY FOR THIS SUBSIDY A MANAGED CARE PROVIDER SHALL, AS A MINIMUM, PROVIDE THE FOLLOWING BENEFITS:

(1) ALL OF THE BENEFITS OF MEDICARE PART "A" PLUS MEDICARE PART "B" REQUIRED BY TITLE XVIII OF THE SOCIAL SECURITY ACT, AS AMENDED;

(2) A PRESCRIPTION BENEFIT OF $1,000 PER YEAR PER ENROLLEE;

(3) UNLIMITED HOSPITAL STAYS;

(4) UNLIMITED VISITS WITH A BENEFICIARY'S PRIMARY CARE PHYSICIAN OR PRIMARY HEALTH CARE PROVIDER;

(5) VISITS TO SPECIALISTS WITH A REFERRAL FROM THE BENEFICIARY'S PRIMARY CARE PHYSICIAN OR PRIMARY HEALTH CARE PROVIDER;

(6) PODIATRY TREATMENT;

(7) ONE ANNUAL PHYSICAL PER YEAR;

(8) OUTPATIENT HOSPITAL VISITS;

(9) OUTPATIENT HOSPITAL REHABILITATION;

(10) UP TO 190 DAYS OF INPATIENT MENTAL HEALTH TREATMENT PER YEAR;

(11) UP TO 100 DAYS OF SKILLED NURSING CARE PER YEAR;

(12) EMERGENCY AMBULANCE SERVICE;

(13) ONE ROUTINE EYE EXAM PER YEAR AND ONE PAIR OF EYEGLASSES PER YEAR;

(14) ALCOHOL AND DRUG ABUSE EDUCATION CLASSES AND OUTPATIENT TREATMENT;

(15) ANNUAL MAMMOGRAMS, PAP SMEARS, AND COLORECTAL SCREENING EXAMS FOR CANCER;

(16) HEPATITIS B AND FLU VACCINES;

(17) HEARING EXAMS;

(18) TWO PREVENTIVE DENTAL EXAMS PER YEAR; AND

(19) EMERGENCY MEDICAL OUTPATIENT TREATMENT.

15-604.

THE MANAGED CARE PROVIDER MAY:

(1) REQUIRE A DEDUCTIBLE TO APPLY TO PRESCRIPTION BENEFITS AND CO-PAYMENTS THAT ARE EQUAL OR LESS THAN THOSE REQUIRED BY THE MEDICARE PART "B" BENEFITS PROVIDED UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT, AS AMENDED;

(2) ESTABLISH A RESTRICTED FORMULARY OF EXPERIMENTAL DRUGS THAT WILL NOT BE REIMBURSED BY THE PROGRAM; AND

(3) ESTABLISH A CO-PAYMENT SYSTEM FOR PRESCRIPTION DRUGS BASED ON THE USE OF BRAND OR GENERIC DRUGS.

15-605.

THE SECRETARY SHALL:

(1) PAY A MANAGED CARE PROVIDER WITHIN 30 DAYS AFTER RECEIPT OF A CLAIM FOR PAYMENT OF SUBSIDIES;

(2) SUBMIT A REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY ON OR BEFORE JUNE 30, 2001, AND IN EACH SUCCESSIVE YEAR, THAT INCLUDES A SUMMARY OF THE PROGRAM ACTIVITIES FOR THE YEAR AND ANY RECOMMENDATIONS OR SUGGESTIONS FOR LEGISLATIVE CONSIDERATION; AND

(3) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2000. It shall remain effective for a period of 2 years and, at the end of June 30, 2002, or the passage of a prescription pharmacy benefit program provided by Medicare under Title XVIII of the Social Security Act, as amended, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect. If prescription pharmacy benefits are provided by Medicare under Title XVIII of the Social Security Act, the Secretary of Health and Mental Hygiene shall notify the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.