

SENATE BILL 855

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2000 Regular Session  
0lr3035  
CF 0lr1842

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By: **Senators Dyson, Middleton, and Miller**  
Introduced and read first time: February 23, 2000  
Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Public Health - Senior Assistance - Insurance Subsidy for Medicare Plus**  
3                                   **Choice**

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

15 BY adding to  
16 Article - Health - General  
17 Section 15-601 through 15-605, inclusive, to be under the new subtitle "Subtitle  
18 6. Maryland Medicare Plus Choice Insurance Subsidy Program"  
19 Annotated Code of Maryland  
20 (1994 Replacement Volume and 1999 Supplement)

21                                   Preamble

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

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

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

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

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

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

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

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

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

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

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

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

29 **Article - Health - General**

30 **SUBTITLE 6. MARYLAND MEDICARE PLUS CHOICE INSURANCE SUBSIDY PROGRAM.**

31 15-601.

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

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

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

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

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

7 (5) PAY THE PREMIUM AND DEDUCTIBLES FOR A MEDICARE PLUS  
8 CHOICE MANAGED CARE PROGRAM.

9 15-602.

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

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

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

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

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

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

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

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

35 15-603.

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

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

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

4 (3) UNLIMITED HOSPITAL STAYS;

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

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

9 (6) PODIATRY TREATMENT;

10 (7) ONE ANNUAL PHYSICAL PER YEAR;

11 (8) OUTPATIENT HOSPITAL VISITS;

12 (9) OUTPATIENT HOSPITAL REHABILITATION;

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

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

16 (12) EMERGENCY AMBULANCE SERVICE;

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

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

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

23 (16) HEPATITIS B AND FLU VACCINES;

24 (17) HEARING EXAMS;

25 (18) TWO PREVENTIVE DENTAL EXAMS PER YEAR; AND

26 (19) EMERGENCY MEDICAL OUTPATIENT TREATMENT.

27 15-604.

28 THE MANAGED CARE PROVIDER MAY:

29 (1) REQUIRE A DEDUCTIBLE TO APPLY TO PRESCRIPTION BENEFITS AND  
30 CO-PAYMENTS THAT ARE EQUAL OR LESS THAN THOSE REQUIRED BY THE

1 MEDICARE PART "B" BENEFITS PROVIDED UNDER TITLE XVIII OF THE SOCIAL  
2 SECURITY ACT, AS AMENDED;

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

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

7 15-605.

8 THE SECRETARY SHALL:

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

11 (2) SUBMIT A REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE JUNE  
12 30, 2001, AND IN EACH SUCCESSIVE YEAR, THAT INCLUDES A SUMMARY OF THE  
13 PROGRAM ACTIVITIES FOR THE YEAR AND ANY RECOMMENDATIONS OR  
14 SUGGESTIONS FOR LEGISLATIVE CONSIDERATION; AND

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

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 July 1, 2000. It shall remain effective for a period of 2 years and, at the end of June  
19 30, 2002, or the availability of comparable prescription pharmacy benefits provided  
20 by Medicare under Title XVIII of the Social Security Act, as amended, with no further  
21 action required by the General Assembly, this Act shall be abrogated and of no further  
22 force and effect. If comparable prescription pharmacy benefits are provided by  
23 Medicare under Title XVIII of the Social Security Act, the Secretary of Health and  
24 Mental Hygiene shall notify the Department of Legislative Services, 90 State Circle,  
25 Annapolis, Maryland 21401.