

HOUSE BILL 429

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2001 Regular Session
11r0070

By: **Chairman, Environmental Matters Committee (Departmental - Health and Mental Hygiene)**

Introduced and read first time: February 1, 2001

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 14, 2001

CHAPTER _____

1 AN ACT concerning

2 **Maryland Medical Assistance Program - HealthChoice Performance**
3 **Incentive Fund**

4 FOR the purpose of establishing a HealthChoice Performance Incentive Fund in the
5 Department of Health and Mental Hygiene; specifying the purpose of the Fund;
6 requiring the Department to pay to the State Comptroller certain fines collected
7 by the Department from certain managed care organizations; requiring the
8 Comptroller to distribute certain moneys to the Fund; requiring that certain
9 funds in excess of a certain amount revert to the General Fund; requiring the
10 Legislative Auditor to audit the Fund; requiring the Department to make
11 certain reports to certain committees of the General Assembly; providing for the
12 application of this Act; and generally relating to the Maryland Medical
13 Assistance Program and the HealthChoice Performance Incentive Fund.

14 BY repealing and reenacting, with amendments,
15 Article - Health - General
16 Section 15-103(b)(12)
17 Annotated Code of Maryland
18 (2000 Replacement Volume)

19 BY adding to
20 Article - Health - General
21 Section 15-103.3
22 Annotated Code of Maryland
23 (2000 Replacement Volume)

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

3 **Article - Health - General**

4 15-103.

5 (b) (12) (i) Each managed care organization shall notify each enrollee
6 when the enrollee should obtain an immunization, examination, or other wellness
7 service.

8 (ii) Each managed care organization shall:

9 1. Maintain evidence of compliance with paragraph (9) of
10 this subsection; and

11 2. Provide to the Department, upon initial application to
12 provide health care services to enrollees and on an annual basis thereafter, evidence
13 of compliance with paragraph (9) of this subsection, including submission of a written
14 plan.

15 (iii) A managed care organization that does not comply with
16 subparagraph (i) of this paragraph for at least 90% of its new enrollees:

17 1. Within 90 days of their enrollment may not receive more
18 than 80% of its capitation payments;

19 2. Within 180 days of their enrollment may not receive more
20 than 70% of its capitation payments; and

21 3. Within 270 days of their enrollment may not receive more
22 than 50% of its capitation payments.

23 (iv) If a managed care organization does not comply with the
24 requirements of paragraph (9) of this subsection, the Department may contract with
25 any community-based health organization that the Department determines is willing
26 and able to perform comprehensive outreach services to enrollees.

27 (v) In addition to the provisions of subparagraph (iv) of this
28 paragraph, if a managed care organization does not comply with the requirements of
29 paragraph (9) of this subsection or fails to provide evidence of compliance to the
30 Department under subparagraph (ii) of this paragraph, the Department may:

31 1. Impose a fine on the managed care organization WHICH
32 SHALL BE DEPOSITED IN THE HEALTHCHOICE PERFORMANCE INCENTIVE FUND
33 ESTABLISHED UNDER § 15-103.3 OF THIS SUBTITLE;

34 2. Suspend further enrollment into the managed care
35 organization;

1 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
2 Health and Mental Hygiene shall report to the House Environmental Matters
3 Committee, the House Ways and Means Committee, the Senate Finance Committee,
4 and the Senate Budget and Taxation Committee of the General Assembly on or before
5 December 31, 2003, in accordance with § 2-1246 of the State Government Article, on
6 the uses of the HealthChoice Performance Incentive Fund.

7 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of
8 Health and Mental Hygiene shall report to the House Environmental Matters
9 Committee, the House Ways and Means Committee, the Senate Finance Committee,
10 and the Senate Budget and Taxation Committee of the General Assembly, in
11 accordance with § 2-1246 of the State Government Article, when the amount of
12 money in the HealthChoice Performance Incentive Fund reaches \$2.5 million.

13 SECTION 3 5. AND BE IT FURTHER ENACTED, That this Act shall take
14 effect July 1, 2001.