

HOUSE BILL 1411

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2001 Regular Session  
11r2996  
CF 11r2963

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By: **Delegates McHale, Branch, Hammen, Klausmeier, Oaks, and Phillips**  
Introduced and read first time: February 28, 2001  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Managed Care Organizations - Adjustment to Capitation Payments**

3 FOR the purpose of requiring the Department of Health and Mental Hygiene to make  
4 a certain annual adjustment in the capitation payment to managed care  
5 organizations participating in the Maryland Medical Assistance Program;  
6 requiring the Department to adjust capitation payments to include a certain  
7 market trend; providing for the measurement of a certain market trend; and  
8 generally relating to the capitation payments to managed care organizations  
9 participating in the Maryland Medical Assistance Program.

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

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

17 **Article - Health - General**

18 15-103.

19 (b) (18) (i) The Department shall make capitation payments to each  
20 managed care organization as provided in this paragraph.

21 (ii) In consultation with the Insurance Commissioner, the Secretary  
22 shall:

23 1. Set capitation payments at a level that is actuarially  
24 adjusted to the benefits provided; [and]

25 2. Actuarially adjust the capitation payments to reflect the  
26 relative risk assumed by [the] A managed care organization; AND

