

SENATE BILL 568

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2001 Regular Session
11r1962
CF 11r1967

By: **Senators Hollinger and Bromwell**
Introduced and read first time: February 2, 2001
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
Read second time: March 23, 2001

CHAPTER _____

1 AN ACT concerning

2 **Maryland Health Care Foundation - Health Insurance Demonstration**
3 **Project for Uninsured, Low-Income, Working ~~Adults~~ Employees**

4 FOR the purpose of authorizing the Maryland Health Care Foundation to contract
5 with an entity to offer make available, through a demonstration ~~projects~~ project,
6 ~~employer-based health insurance to health insurance through employers for~~
7 uninsured, low-income, working ~~adults~~ employees; providing authorization for a
8 specific demonstration project; providing for the qualifications of individuals
9 eligible to be covered and their employers under the demonstration project;
10 specifying the benefits to be provided under this Act; providing that certain
11 benefits need not be provided under this Act; requiring the Foundation to
12 include in the demonstration project a voluntary hospital component for certain
13 purposes; limiting the type of entity that the Foundation may contract with to
14 implement the demonstration project; limiting the total number of enrollees;
15 requiring the Maryland Insurance Administration to annually ~~review the~~
16 ~~records of the demonstration project and the insurer for fiscal soundness and~~
17 ~~compliance with certain laws~~ provide the Foundation with certain information;
18 requiring the Foundation to report annually to certain committees of the
19 General Assembly on the scope and status of the demonstration project,
20 including a certain evaluation; providing for the termination of this Act; and
21 generally relating to the Maryland Health Care Foundation and health
22 insurance demonstration projects for uninsured, low-income, working ~~adults~~
23 employees.

24 BY repealing and reenacting, with amendments,
25 Article - Health - General
26 Section 20-506
27 Annotated Code of Maryland

1 (2000 Replacement Volume)

2 BY adding to

3 Article - Health - General

4 Section 20-506.1

5 Annotated Code of Maryland

6 (2000 Replacement Volume)

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

9 **Article - Health - General**

10 20-506.

11 (a) The Foundation shall:

12 (1) Solicit and accept any gift, grant, legacy, or endowment of money,
13 including in-kind services, from the federal government, State government, local
14 government, or any private source in furtherance of the Foundation;

15 (2) Provide grants to programs that:

16 (i) Promote public awareness of the need to provide more timely
17 and cost-effective care for uninsured Marylanders;

18 (ii) Expand access to health care services for uninsured individuals;
19 or

20 (iii) Provide or subsidize health insurance coverage for uninsured
21 individuals;

22 (3) Study the feasibility and cost-effectiveness of providing health
23 insurance coverage through the private market to uninsured children and their
24 families as part of the program established under § 15-301 of this article;

25 (4) Develop programs for sponsorship by corporate and business
26 organizations or private individuals;

27 (5) Develop criteria for awarding grants to health care delivery
28 programs, insurance coverage programs, or corporate sponsorship programs;

29 (6) Develop criteria for prioritizing programs to be supported;

30 (7) Develop criteria for evaluating the effectiveness of programs
31 receiving grants;

32 (8) Make, execute, and enter into any contract or other legal instrument;

33 (9) Receive appropriations as provided in the State budget;

1 (10) Lease and maintain an office at a place within the State that the
2 Foundation designates;

3 (11) Adopt bylaws for the regulation of its affairs and the conduct of its
4 business;

5 (12) Take any other action necessary to carry out the purposes of the
6 Foundation; and

7 (13) Report annually to the Governor and, subject to § 2-1246 of the State
8 Government Article, to the General Assembly, on its activities during the preceding
9 year, including an evaluation of the effectiveness of funded programs, together with
10 any recommendations or requests deemed appropriate to further the purposes of the
11 Foundation.

12 (b) The Foundation may sue and be sued, but only to enforce contractual or
13 similar agreements with the Foundation.

14 (C) (1) ~~THROUGH DEMONSTRATION PROJECTS, SUBJECT TO PARAGRAPH (2)~~
15 ~~OF THIS SUBSECTION, THE FOUNDATION MAY, THROUGH A DEMONSTRATION~~
16 ~~PROJECT, CONTRACT TO OFFER EMPLOYER-BASED HEALTH INSURANCE TO WITH AN~~
17 ~~ENTITY TO MAKE HEALTH INSURANCE AVAILABLE THROUGH EMPLOYERS FOR~~
18 ~~UNINSURED, LOW-INCOME, WORKING ADULTS. EMPLOYEES.~~

19 (2) UNDER THE DEMONSTRATION PROJECT AUTHORIZED UNDER
20 PARAGRAPH (1) OF THIS SUBSECTION, THE FOUNDATION MAY CONTRACT ONLY WITH
21 AN ENTITY THAT IS:

22 (I) AUTHORIZED BY THE INSURANCE COMMISSIONER TO ACT AS
23 AN INSURER, A HEALTH MAINTENANCE ORGANIZATION, OR A NONPROFIT HEALTH
24 SERVICE PLAN; AND

25 (II) IN GOOD STANDING, AS DETERMINED BY THE INSURANCE
26 COMMISSIONER.

27 20-506.1.

28 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE FOUNDATION MAY
29 CONTRACT THROUGH COMPETITIVE PROCUREMENT PROCEDURES ~~TO PROVIDE WITH~~
30 AN ENTITY TO MAKE AVAILABLE, THROUGH A 3-YEAR DEMONSTRATION PROJECT
31 BEGINNING ON OR BEFORE JANUARY 1, 2002, ~~EMPLOYER-BASED HEALTH~~
32 INSURANCE ~~COVERAGE TO ANY~~ THROUGH EMPLOYERS TO UNINSURED ADULT
33 EMPLOYEES WHO:

34 (1) ~~HAS~~ HAVE A GROSS FAMILY INCOME OF NOT MORE THAN 300
35 PERCENT OF THE FEDERAL POVERTY LEVEL; AND

36 (2) ~~IS~~ ARE WORKING PART TIME OR FULL TIME FOR A MARYLAND
37 EMPLOYER:

1 (I) ~~WHO THAT~~ HAS 51 OR MORE EMPLOYEES;

2 (II) ~~WHO THAT~~ OFFERED HEALTH INSURANCE COVERAGE TO
3 EMPLOYEES IN THE PREVIOUS 12 MONTHS; AND

4 (III) THE MAJORITY OF WHOSE EMPLOYEES DID NOT PURCHASE
5 THE HEALTH INSURANCE OFFERED IN THE PREVIOUS 12 MONTHS.

6 (B) UNDER THE DEMONSTRATION PROJECT AUTHORIZED UNDER
7 SUBSECTION (A) OF THIS SECTION, THE FOUNDATION MAY CONTRACT ONLY WITH AN
8 ENTITY THAT IS:

9 (1) AUTHORIZED BY THE INSURANCE COMMISSIONER TO ACT AS AN
10 INSURER, A HEALTH MAINTENANCE ORGANIZATION, OR A NONPROFIT HEALTH
11 SERVICE PLAN; AND

12 (2) IN GOOD STANDING, AS DETERMINED BY THE INSURANCE
13 COMMISSIONER.

14 ~~(B)~~ (C) (1) THE INSURANCE OFFERED UNDER THIS SECTION SHALL
15 PROVIDE COVERAGE FOR A PACKAGE OF HEALTH CARE BENEFITS THAT INCLUDES:

16 (I) OUTPATIENT PREVENTIVE SERVICES;

17 (II) OUTPATIENT PRIMARY CARE SERVICES; AND

18 (III) SPECIALTY SERVICES.

19 (2) THE INSURANCE OFFERED UNDER THIS SECTION IS NOT REQUIRED
20 TO PROVIDE COVERAGE FOR:

21 (I) THE MINIMUM BENEFITS REQUIRED UNDER TITLE 15,
22 SUBTITLE 8 OF THE INSURANCE ARTICLE OR TITLE 19, SUBTITLE 7 OF ~~THE HEALTH~~
23 ~~GENERAL~~ THIS ARTICLE; OR

24 (II) THE MINIMUM BENEFITS REQUIRED UNDER THE
25 COMPREHENSIVE STANDARD HEALTH BENEFIT PLAN CREATED UNDER § 15-207 OF
26 THE INSURANCE ARTICLE.

27 (D) THE DEMONSTRATION PROJECT UNDER THIS SECTION SHALL INCLUDE A
28 VOLUNTARY HOSPITAL COMPONENT TO ASSURE THE PROVISION OF ACUTE CARE
29 SERVICES TO THE ENROLLEES IN THE COVERAGE OFFERED.

30 ~~(C)~~ (E) THE TOTAL NUMBER OF ENROLLEES IN THE INSURANCE PLAN
31 OFFERED UNDER THE DEMONSTRATION PROJECT MAY NOT EXCEED 30,000
32 INDIVIDUALS.

33 ~~(D) THE MARYLAND INSURANCE ADMINISTRATION SHALL ANNUALLY REVIEW~~
34 ~~THE RECORDS OF THE DEMONSTRATION PROJECT AND THE INSURER CONTRACTED~~
35 ~~TO PROVIDE BENEFITS UNDER THE DEMONSTRATION PROJECT TO ENSURE FISCAL~~
36 ~~SOUNDNESS AND COMPLIANCE WITH:~~

- 1 (1) ~~TITLE 4, SUBTITLE 3 OF THE INSURANCE ARTICLE;~~
2 (2) ~~TITLE 5, SUBTITLES 1, 2, AND 9 OF THE INSURANCE ARTICLE; AND~~
3 (3) ~~TITLE 9 OF THE INSURANCE ARTICLE.~~

4 (F) WITH RESPECT TO THE ENTITY RESPONSIBLE FOR PROVIDING BENEFITS
5 UNDER THE DEMONSTRATION PROJECT, THE MARYLAND INSURANCE
6 ADMINISTRATION SHALL PROVIDE TO THE FOUNDATION ANNUALLY:

7 (1) A COPY OF THE ENTITY'S RISK-BASED CAPITAL LEVELS, AS
8 REPORTED TO THE MARYLAND INSURANCE ADMINISTRATION UNDER TITLE 4,
9 SUBTITLE 3 OF THE INSURANCE ARTICLE; AND

10 (2) IF APPLICABLE, A COPY OF ANY FINAL FINANCIAL EXAMINATION
11 REPORT ON THE ENTITY PREPARED BY THE MARYLAND INSURANCE
12 ADMINISTRATION IN THE PREVIOUS 12 MONTHS.

13 ~~(E)~~ (G) (1) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR AND SUBJECT TO
14 § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE FOUNDATION SHALL PROVIDE
15 ANNUAL REPORTS TO THE APPROPRIATE COMMITTEES OF THE MARYLAND GENERAL
16 ASSEMBLY ON THE SCOPE AND STATUS OF THE DEMONSTRATION PROJECT.

17 (2) THE ANNUAL REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
18 SUBSECTION SHALL INCLUDE AN EVALUATION OF THE IMPACT OF THE
19 DEMONSTRATION PROJECT ON HOSPITAL INPATIENT COSTS AND UNCOMPENSATED
20 CARE.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2001. It shall remain effective for a period of ~~42 months~~ 4 3 years and 6
23 months and, at the end of December 31, ~~2005~~ 2004, with no further action required by
24 the General Assembly, this Act shall be abrogated and of no further force and effect.