

SENATE BILL 875

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2001 Regular Session
11r2963
CF 11r2996

By: **Senators Bromwell, Della, Collins, and Hollinger**
Introduced and read first time: February 27, 2001
Assigned to: Rules

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

