

(PRE-FILED)

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

Requested: November 14, 2001

Introduced and read first time: January 9, 2002

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 5, 2002

CHAPTER _____

1 AN ACT concerning

2 **Maryland Children's Health Program - Employer-Sponsored Health Benefit**
3 **Plans - Employer Contribution**

4 FOR the purpose of ~~repealing the requirement~~ altering the amount that an employer
5 must contribute ~~a certain amount~~ to family health insurance coverage under the
6 MCHP private option plan of the Maryland Children's Health Program;
7 requiring that certain employer-sponsored health benefit plans be
8 cost-effective; and generally relating to the MCHP private option plan of the
9 Maryland Children's Health Program.

10 BY repealing and reenacting, with amendments,
11 Article - Health - General
12 Section 15-301.1
13 Annotated Code of Maryland
14 (2000 Replacement Volume and 2001 Supplement)

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 15-301.1.

19 (a) (1) In this section the following words have the meanings indicated.

20 (2) "Carrier" means:

- 1 (i) An insurer;
- 2 (ii) A nonprofit service plan;
- 3 (iii) A health maintenance organization; or
- 4 (iv) Any other person that provides health benefit plans subject to
5 regulation by the State.

6 (3) "Eligible individual" means an individual who qualifies to participate
7 in the Maryland Children's Health Program under § 15-301(b) of this subtitle and
8 whose family income is above 200 percent, but at or below 300 percent of the federal
9 poverty guidelines.

10 (4) "Family contribution" means the portion of the premium cost paid for
11 an eligible individual to enroll and participate in the Maryland Children's Health
12 Program.

13 (5) "MCHP private option plan" means the plan established under this
14 section to provide access to health insurance coverage to eligible individuals through
15 employer-sponsored health benefit plans and managed care organizations under the
16 Maryland Children's Health Program.

17 (b) This section applies only to individuals whose family income is above 200
18 percent, but at or below 300 percent of the federal poverty guidelines.

19 (c) (1) An eligible individual who is enrolled in the MCHP private option
20 plan shall be insured through an employer's health benefit plan if:

21 (i) The employer offers family health insurance coverage to the
22 parent or guardian of an eligible individual;

23 (ii) The employer elects to participate in the MCHP private option
24 plan;

25 (iii) The parent or guardian of an eligible individual is insured
26 under the employer-sponsored health benefit plan;

27 (iv) {The employer contributes to family health insurance coverage
28 at a rate no less than 50 30 percent of annual premiums;} ~~THE EMPLOYEE RECEIVES~~
29 ~~THE FULL PREMIUM CONTRIBUTION AVAILABLE FROM THE EMPLOYER;~~

30 (v) The plan includes a benefit package that is determined by the
31 Department to be at least equivalent to the Comprehensive Standard Health Benefit
32 Plan established under § 15-1207 of the Insurance Article; and

33 (vi) The plan does not impose cost sharing requirements on eligible
34 individuals.

35 (2) (I) THE STATE'S COST FOR COVERAGE OF AN ELIGIBLE
36 INDIVIDUAL ENROLLED IN THE MCHP PRIVATE OPTION PLAN MAY NOT BE GREATER

1 THAN THE COST OF COVERAGE IF THE ELIGIBLE INDIVIDUAL WAS INSURED
2 THROUGH A MANAGED CARE ORGANIZATION AS DEFINED IN § 15-101(F) OF THIS
3 TITLE.

4 [(2)] (II) If an employer-sponsored health benefit plan that meets the
5 criteria under paragraph (1) of this subsection is not available to the eligible
6 individual OR IF THE DEPARTMENT DETERMINES THAT THE EMPLOYER-SPONSORED
7 HEALTH BENEFIT PLAN IS NOT COST EFFECTIVE AS REQUIRED IN ITEM (I) OF THIS
8 PARAGRAPH, the eligible individual shall be insured through a managed care
9 organization as defined in § 15-101(f) of this title.

10 (d) The Department shall facilitate coverage of eligible individuals under an
11 employer-sponsored health benefit plan by:

12 (1) Evaluating employer-sponsored health benefit plans to determine
13 whether specific plans meet applicable State and federal requirements;

14 (2) Assisting employers that wish to participate in the MCHP private
15 option plan to meet the eligibility criteria established under subsection (c) of this
16 section;

17 (3) Collecting the family contribution under subsection (e) of this section;

18 (4) Forwarding the family contribution and the State's portion of the
19 premium directly to the carrier; and

20 (5) Assisting employers in enrolling the eligible dependents of employees
21 in the employer-sponsored health benefit plan.

22 (e) (1) As a requirement of enrollment and participation in the MCHP
23 private option plan, through either an employer-sponsored health benefit plan or a
24 managed care organization, the parent or guardian of an eligible individual shall
25 agree to pay the following annual family contribution:

26 (i) For an eligible individual whose family income is above 200
27 percent, but at or below 250 percent of the federal poverty guidelines, an amount
28 equal to 2 percent of the annual income of a family of two at 200 percent of the federal
29 poverty guidelines; and

30 (ii) For an eligible individual whose family income is above 250
31 percent, but at or below 300 percent of the federal poverty guidelines, an amount
32 equal to 2 percent of the annual income of a family of two at 250 percent of the federal
33 poverty guidelines.

34 (2) The family contribution amounts required under paragraph (1) of
35 this subsection apply on a per family basis regardless of the number of eligible
36 individuals each family has enrolled in the MCHP private option plan.

37 (f) The Department shall adopt regulations necessary to implement this
38 section.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect July 1, 2002.