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By: **Delegate McHale**

Introduced and read first time: February 7, 2002

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Care Foundation - Health Insurance Demonstration**  
3 **Project for Uninsured, Low-Income Workers**

4 FOR the purpose of authorizing the Maryland Health Care Foundation to contract  
5 with an entity to make available, through a demonstration project, certain  
6 health insurance through certain employers for uninsured, low-income, working  
7 employees; providing authorization for a specific demonstration project;  
8 providing for the qualifications of individuals eligible to be covered and their  
9 employers under the demonstration project; specifying the benefits to be  
10 provided under the demonstration project; providing that certain benefits need  
11 not be provided under the demonstration project; 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 provide the  
16 Foundation with certain information; requiring the Foundation to report  
17 annually to certain committees of the General Assembly on the scope and status  
18 of the demonstration project, including a certain evaluation; providing for the  
19 termination of this Act; and generally relating to the Maryland Health Care  
20 Foundation and health insurance demonstration projects for uninsured,  
21 low-income, working employees.

22 BY adding to  
23 Article - Health - General  
24 Section 20-506(c) and 20-506.1  
25 Annotated Code of Maryland  
26 (2000 Replacement Volume and 2001 Supplement)

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

1 **Article - Health - General**

2 20-506.

3 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE  
4 FOUNDATION MAY, THROUGH A DEMONSTRATION PROJECT, CONTRACT WITH AN  
5 ENTITY TO MAKE HEALTH INSURANCE AVAILABLE THROUGH EMPLOYERS FOR  
6 UNINSURED, LOW-INCOME, WORKING EMPLOYEES.

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

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

13 (II) IN GOOD STANDING, AS DETERMINED BY THE INSURANCE  
14 COMMISSIONER.

15 20-506.1.

16 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE FOUNDATION MAY  
17 CONTRACT THROUGH COMPETITIVE PROCUREMENT PROCEDURES WITH AN ENTITY  
18 TO MAKE AVAILABLE, THROUGH A 3-YEAR DEMONSTRATION PROJECT BEGINNING  
19 ON OR BEFORE JANUARY 1, 2003, HEALTH INSURANCE THROUGH EMPLOYERS TO  
20 UNINSURED EMPLOYEES WHO:

21 (1) HAVE AN ANNUAL HOUSEHOLD INCOME AT OR BELOW 300 PERCENT  
22 OF THE FEDERAL POVERTY GUIDELINES; AND

23 (2) ARE WORKING PART TIME OR FULL TIME FOR A MARYLAND  
24 EMPLOYER:

25 (I) THAT HAS 51 OR MORE EMPLOYEES;

26 (II) THAT OFFERED HEALTH INSURANCE COVERAGE TO  
27 EMPLOYEES IN THE PREVIOUS 12 MONTHS; AND

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

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

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

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

3 (C) (1) THE INSURANCE OFFERED UNDER THIS SECTION SHALL PROVIDE  
4 COVERAGE FOR A PACKAGE OF HEALTH CARE BENEFITS THAT INCLUDES:

5 (I) OUTPATIENT SERVICES;

6 (II) OUTPATIENT PRIMARY CARE SERVICES; AND

7 (III) SPECIALITY SERVICES.

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

10 (I) THE MINIMUM BENEFITS REQUIRED UNDER TITLE 15,  
11 SUBTITLE 8 OF THE INSURANCE ARTICLE OR TITLE 19, SUBTITLE 7 OF THIS ARTICLE;  
12 OR

13 (II) THE MINIMUM BENEFITS REQUIRED UNDER THE  
14 COMPREHENSIVE STANDARD HEALTH BENEFIT PLAN CREATED UNDER § 15-1207 OF  
15 THE INSURANCE ARTICLE.

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

19 (E) THE TOTAL NUMBER OF ENROLLEES IN THE INSURANCE PLAN OFFERED  
20 UNDER THE DEMONSTRATION PROJECT MAY NOT EXCEED 30,000 INDIVIDUALS.

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

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

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

30 (G) (1) ON OR BEFORE SEPTEMBER 1 OF EACH YEAR AND SUBJECT TO §  
31 12-1246 OF THE STATE GOVERNMENT ARTICLE, THE FOUNDATION SHALL PROVIDE  
32 AN ANNUAL REPORT TO THE APPROPRIATE COMMITTEES OF THE GENERAL  
33 ASSEMBLY ON THE SCOPE AND STATUS OF THE DEMONSTRATION PROJECT.

34 (2) THE ANNUAL REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS  
35 SUBSECTION SHALL INCLUDE AN EVALUATION OF THE IMPACT OF THE

1 DEMONSTRATION PROJECT ON HOSPITAL INPATIENT COSTS AND UNCOMPENSATED  
2 CARE.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 July 1, 2002. It shall remain effective for a period of 3 years and 6 months and, at the  
5 end of December 31, 2005, with no further action required by the General Assembly,  
6 this Act shall be abrogated and of no further force and effect.