

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL NO. 793

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Delegate Hurson” and substitute “Delegates Hurson, Hammen, Rudolph, Oaks, Murray, Costa, Boutin, Mandel, McDonough, Redmer, Goldwater, Morhaim, Nathan-Pulliam, Hubbard, Rosenberg, Pendergrass, Weldon, Bromwell, Haynes, Smigiel, Donoghue, V. Turner, and Kach”; in line 2, before “Medical” insert “Maryland”; in the same line, after “Assistance” insert “Program - Reform”; in the same line, strike “Reimbursement Rate Commission”; strike beginning with “establishing” in line 3 down through “Commission” in line 16 and substitute “declaring the intent of the General Assembly; requiring the Department of Health and Mental Hygiene to report to certain committees of the General Assembly before spending certain federal funds; prohibiting the Department of Health and Mental Hygiene from imposing a family contribution on certain enrollees in the Children’s Health Insurance Program; requiring the Department to adjust interim capitation rates set for managed care organizations to reflect certain changes in service costs; requiring the Department to incorporate certain funding related to dental utilization targets into certain rates for restorative care; repealing the requirement that a certain parent or guardian pay a certain family contribution to the Children’s Health Insurance Program in a certain fiscal year; defining certain terms; making certain provisions of this Act subject to a certain contingency; and generally relating to reform of the Maryland Medical Assistance Program”; in line 19, after “Section” insert “15-301”; and strike beginning with “15-102.1(b)(8)” in line 19 down through the second “(d)” in line 21.

On pages 1 and 2, strike in their entirety the lines beginning with line 24 on page 1 through line 4 on page 2, inclusive.

On page 2, after line 4, insert:

“BY adding to

Article - Health - General

(Over)

Section 15-103.5 and 15-105.1  
Annotated Code of Maryland  
(2000 Replacement Volume and 2002 Supplement)

BY repealing and reenacting, with amendments,

Article - Health - General  
Section 15-301.1(b) and (c)  
Annotated Code of Maryland  
(2000 Replacement Volume and 2002 Supplement)  
(As enacted by Chapter \_\_\_\_\_ (H.B. 935) of the Acts of the General Assembly of 2003)

BY repealing and reenacting, with amendments,

Chapter 113 of the Acts of the General Assembly of 1998  
Section 2

BY repealing and reenacting, without amendments,

Chapter 113 of the Acts of the General Assembly of 1998  
Section 3

#### Preamble

WHEREAS, The Maryland Medical Assistance Program serves 600,000 Maryland citizens who are aged, blind, disabled, and on Temporary Cash Assistance; and

WHEREAS, The Maryland Medical Assistance Program serves as the safety net for health insurance for 12% of the population of Maryland; and

WHEREAS, The Maryland Medical Assistance Program has been the framework for expanding access to cover 110,000 children through the Maryland Children's Health Insurance Program; and

WHEREAS, 600,000 to 700,000 citizens of Maryland are uninsured; and

WHEREAS, The Maryland Medical Assistance Program has historically been underfunded and physician fees for specialists have not been raised in over 10 years; and

WHEREAS, Any new expansions of care for the uninsured will likely be through the Medicaid framework; and

WHEREAS, Uncompensated hospital care in Maryland is approximately \$500 million annually; and

WHEREAS, States throughout the country are in dire fiscal situations and the medical assistance programs have had to implement provider reimbursement cuts, elimination of programs, caps on enrollment, and recipient copays; and

WHEREAS, The United States Congress will debate an economic stimulus package to relieve fiscal stress on the states, a major component of which will be an increase in the Federal Medical Assistance Percentages (FMAP); and

WHEREAS, Maryland will receive \$400 million in new federal revenue within an 18-month period if Congress approves a 1% increase in the FMAP; now, therefore,”.

AMENDMENT NO. 2

On page 2, after line 7, insert:

“15-103.5.

(A) IT IS THE INTENT OF THE GENERAL ASSEMBLY, THAT:

(1) ANY FEDERAL REVENUE RECEIVED BY THE STATE AS A RESULT OF AN INCREASE IN THE FEDERAL MEDICAL ASSISTANCE PERCENTAGES:

(I) WILL REMAIN WITHIN THE PROGRAM; AND

(II) BE USED TO EXPAND PROGRAM SERVICES OR TO ENHANCE CURRENT SERVICES; AND

(2) THE STATE MAY NOT SUPPLANT STATE DOLLARS WITH ANY FEDERAL REVENUE RECEIVED AS A RESULT OF AN INCREASE IN THE FEDERAL MEDICAL ASSISTANCE PERCENTAGES.

(Over)

(B) THE DEPARTMENT SHALL REPORT TO THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, THE SENATE BUDGET AND TAXATION COMMITTEE, AND THE SENATE FINANCE COMMITTEE, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, BEFORE SPENDING ANY FEDERAL REVENUE RECEIVED BY THE STATE AS A RESULT OF AN INCREASE IN THE FEDERAL MEDICAL ASSISTANCE PERCENTAGES, AND SHALL PROVIDE THE COMMITTEES WITH AN OPPORTUNITY TO COMMENT WITHIN 30 DAYS OF RECEIPT OF THE REPORT.

15-105.1.

(A) THE DEPARTMENT SHALL ADJUST THE CAPITATION RATES FOR FAMILIES, CHILDREN, AND DISABLED INDIVIDUALS TO REFLECT SERVICE COST CHANGES DURING THE CONTRACT YEAR THAT QUALIFY UNDER SUBSECTION (B) OF THIS SECTION AND RESULT FROM:

(1) AN ADDITION OR DELETION OF SERVICES COVERED UNDER THE HEALTHCHOICE BENEFITS PACKAGE;

(2) AN INCREASE OR DECREASE IN MEDICAID FEE-FOR-SERVICE PAYMENT RATES; OR

(3) AN INCREASE OR DECREASE IN STATEWIDE INPATIENT OR OUTPATIENT HOSPITAL SERVICES CHARGES AS APPROVED BY THE HEALTH SERVICES COST REVIEW COMMISSION.

(B) THE DEPARTMENT SHALL MAKE AN INTERIM RATES ADJUSTMENT IF AN OCCURRENCE LISTED IN SUBSECTION (A) OF THIS SECTION RESULTS IN A PROGRAM-WIDE OVERPAYMENT OR UNDERPAYMENT OF AT LEAST 0.2 PERCENT CALCULATED AS THE DIFFERENCE BETWEEN:

(1) SERVICE COST PROJECTIONS USED TO DEVELOP THE CAPITATION RATES FOR FAMILIES, CHILDREN, AND DISABLED INDIVIDUALS; AND

(2) ACTUAL SERVICE COSTS FOR THE SAME PERIOD.

(C) THE DEPARTMENT SHALL MAKE ANY INTERIM RATES ADJUSTMENTS REQUIRED BY THIS SECTION IN AMOUNTS THAT ARE PROPORTIONATE TO THE OVERPAYMENT OR UNDERPAYMENT DESCRIBED IN SUBSECTION (B) OF THIS SECTION.

15-301.

(A) IN THIS SECTION, "FAMILY CONTRIBUTION" MEANS THE PORTION OF THE PREMIUM COST PAID FOR AN ELIGIBLE INDIVIDUAL TO ENROLL IN THE MARYLAND CHILDREN'S HEALTH PROGRAM.

[(a)] (B) There is a Maryland Children's Health Program.

[(b)] (C) The Maryland Children's Health Program shall provide, subject to the limitations of the State budget and any other requirements imposed by the State and as permitted by federal law or waiver, comprehensive medical care and other health care services to an individual who has a family income at or below 300 percent of the federal poverty guidelines and who is under the age of 19 years.

[(c)] (D) The Maryland Children's Health Program shall be administered:

(1) For individuals whose family income is at or below 200 percent of the federal poverty guidelines, through the program under Subtitle 1 of this title requiring individuals to enroll in managed care organizations; or

(2) For eligible individuals whose family income is above 200 percent, but at or below 300 percent of the federal poverty guidelines, through the MCHP private option plan under § 15-301.1 of this subtitle.

(E) THE MARYLAND CHILDREN'S HEALTH PROGRAM MAY NOT, AS A REQUIREMENT OF ENROLLMENT, IMPOSE A FAMILY CONTRIBUTION ON

(Over)

INDIVIDUALS WHOSE FAMILY INCOME IS AT OR BELOW 200 PERCENT OF THE FEDERAL POVERTY GUIDELINES.

[(d)] (F) (1) The Department shall provide eligible individuals and health care providers with an accurate directory or other listing of all available providers:

(i) In written form, made available upon request; and

(ii) On an Internet database.

(2) The Department shall update the Internet database at least every 30 days.

(3) The written directory shall include a conspicuous reference to the Internet database.

Chapter 113 of the Acts of 1998

SECTION 2. AND BE IT FURTHER ENACTED, That:

(A) the Department of Health and Mental Hygiene, in cooperation with representatives of the dental care community, dental managed care organizations, and managed care organizations in the State, shall:

(1) assess the availability and accessibility of dentists throughout the State participating in the Maryland Medical Assistance Program, either on a fee-for-service basis or through a Medicaid managed care organization;

(2) develop and implement a strategy for increasing the participation of dentists in the Program;

(3) establish by regulation a Five Year Oral Health Care Plan that sets utilization targets for managed care organizations and dental managed care organizations under the Maryland Medical Assistance Program to measure demonstrated increases in access by Program enrollees to dental services; and

(4) based on the current 14% level of utilization of dental services, set a utilization target of 30% in the first year of the Plan, with annual increases in utilization of 10% until a minimum level of utilization of 70% is attained in the fifth year of the Plan.

(B) IF THE UTILIZATION TARGETS SET IN SUBSECTION (A)(4) OF THIS SECTION CAN NOT BE ATTAINED BY A MANAGED CARE ORGANIZATION, ANY RATE INCREASE THAT WOULD HAVE BEEN INCORPORATED INTO THE RATES OF A MANAGED CARE ORGANIZATION TO MEET THE UTILIZATION TARGETS SHALL BE INCORPORATED INTO THE RATES OF A MANAGED CARE ORGANIZATION FOR RESTORATIVE CARE.

SECTION 3. AND BE IT FURTHER ENACTED, That the Five Year Oral Health Care Plan developed by the Department of Health and Mental Hygiene under Section 2 of this Act shall include:

(1) an assessment process with ongoing oversight by the Department to determine if utilization targets are being met and to ensure that corrective action is taken by a managed care organization or a dental managed care organization that fails to meet the utilization targets;

(2) a requirement for a statewide follow-up survey to be conducted by the Department in the year 2000 concerning the oral health status of school children in the State.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Health - General

15-301.1.

(b) [Except as provided in subsection (c) of this section, this] THIS section applies only to individuals whose family income is above 200 percent, but at or below 300 percent of the federal poverty guidelines.

(Over)

(c) (1) As a requirement of enrollment and participation in a managed care organization, the parent or guardian of an eligible individual shall agree to pay the following annual family contribution:

(i) [In fiscal year 2004 only, for an eligible individual whose family income is above 185 percent, but at or below 200 percent of the federal poverty guidelines, an amount equal to 2 percent of the annual income of a family of two at 185 percent of the federal poverty guidelines;

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

[(iii)] (II) For an eligible individual whose family income is above 250 percent, but at or below 300 percent of the federal poverty guidelines, an amount equal to 2 percent of the annual income of a family of two at 250 percent of the federal poverty guidelines.

(2) The family contribution amounts required under paragraph (1) of this subsection apply on a per family basis regardless of the number of eligible individuals each family has enrolled in the managed care organization.”.

AMENDMENT NO. 3

On pages 2 through 9, strike in their entirety the lines beginning with line 8 on page 2 through line 31 on page 9, inclusive.

On page 9, after line 31, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2003, contingent on the taking effect of Chapter \_\_\_\_ (H.B. 935) of the Acts of the General Assembly of 2003, and if Chapter \_\_\_\_ does not become effective, Section 2 of this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect July 1, 2003.”.



