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By: ~~Delegate Hurson~~ Delegates Hurson, Hammen, Benson, Boutin, Bromwell, Costa, Donoghue, Elliott, Goldwater, Haynes, Hubbard, Kach, Mandel, McDonough, Morhaim, Murray, Nathan-Pulliam, Oaks, Pendergrass, Redmer, Rosenberg, Rudolph, Smigiel, and Weldon

Introduced and read first time: February 7, 2003  
Assigned to: Health and Government Operations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 21, 2003

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Medicaid Modernization Act of 2003**

3 FOR the purpose of establishing the Primary Adult Care Network within the Medical  
4 Assistance Program; providing for the purpose of the Network; requiring the  
5 Secretary of Health and Mental Hygiene to administer the Network as allowed  
6 by federal law or waiver; requiring the Network, subject to certain limitations,  
7 to provide a certain health care benefit package to ~~certain~~ adults; ~~authorizing~~  
8 ~~the Network to require certain cost sharing from enrollees; authorizing the~~  
9 ~~Network to enter into partnerships with certain community entities~~; providing  
10 for the funding of the Network; requiring the Secretary to adopt regulations to  
11 implement the Network; requiring the Department of Health and Mental  
12 Hygiene to conduct a certain review of certain health care programs and  
13 services on or before a certain date; requiring the Department to develop a  
14 certain methodology related to managed care organizations and to report on the  
15 methodology developed to certain committees of the General Assembly on or  
16 before a certain date; requiring the Department to apply for a certain waiver to  
17 implement the Network; requiring the waiver application to include certain  
18 information; making this Act, except for a certain provision, subject to a certain  
19 contingency; defining a certain term; and generally relating to the Primary  
20 Adult Care Network and the Medical Assistance Program.

21 BY repealing and reenacting, without amendments,  
22 Article - Health - General  
23 Section 15-101(a) and (i)  
24 Annotated Code of Maryland

1 (2000 Replacement Volume and 2002 Supplement)

2 BY repealing and reenacting, with amendments,

3 Article - Health - General

4 Section 15-103(a)

5 Annotated Code of Maryland

6 (2000 Replacement Volume and 2002 Supplement)

7 BY adding to

8 Article - Health - General

9 Section 15-136

10 Annotated Code of Maryland

11 (2000 Replacement Volume and 2002 Supplement)

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

14 **Article - Health - General**

15 15-101.

16 (a) In this title the following words have the meanings indicated.

17 (i) "Program" means the Maryland Medical Assistance Program.

18 15-103.

19 (a) (1) The Secretary shall administer the Maryland Medical Assistance  
20 Program.

21 (2) The Program:

22 (i) Subject to the limitations of the State budget, shall provide  
23 [comprehensive] medical and other health care services for indigent individuals or  
24 medically indigent individuals or both ~~AS PROVIDED IN § 15-136 OF THIS TITLE;~~

25 (ii) Shall provide, subject to the limitations of the State budget,  
26 comprehensive medical and other health care services for all eligible pregnant women  
27 whose family income is at or below 250 percent of the poverty level, as permitted by  
28 the federal law;

29 (iii) Shall provide, subject to the limitations of the State budget,  
30 comprehensive medical and other health care services for all eligible children  
31 currently under the age of 1 whose family income falls below 185 percent of the  
32 poverty level, as permitted by federal law;

33 (iv) Shall provide, subject to the limitations of the State budget,  
34 family planning services to women currently eligible for comprehensive medical care

1 and other health care under item (ii) of this paragraph for 5 years after the second  
2 month following the month in which the woman delivers her child;

3 (v) Shall provide, subject to the limitations of the State budget,  
4 comprehensive medical and other health care services for all children from the age of  
5 1 year up through and including the age of 5 years whose family income falls below  
6 133 percent of the poverty level, as permitted by the federal law;

7 (vi) Shall provide, subject to the limitations of the State budget,  
8 comprehensive medical care and other health care services for all children [born after  
9 September 30, 1983] who are at least 6 years of age but are under 19 years of age  
10 whose family income falls below 100 percent of the poverty level, as permitted by  
11 federal law;

12 (vii) Shall provide, subject to the limitations of the State budget,  
13 comprehensive medical care and other health care services for all legal immigrants  
14 who meet Program eligibility standards and who arrived in the United States before  
15 August 22, 1996, the effective date of the federal Personal Responsibility and Work  
16 Opportunity Reconciliation Act, as permitted by federal law;

17 (viii) Shall provide, subject to the limitations of the State budget and  
18 any other requirements imposed by the State, comprehensive medical care and other  
19 health care services for all legal immigrant children under the age of 18 years and  
20 pregnant women who meet Program eligibility standards and who arrived in the  
21 United States on or after August 22, 1996, the effective date of the federal Personal  
22 Responsibility and Work Opportunity Reconciliation Act;

23 (ix) May include bedside nursing care for eligible Program  
24 recipients; and

25 (x) Shall provide services in accordance with funding restrictions  
26 included in the annual State budget bill.

27 (3) Subject to restrictions in federal law or waivers, the Department may  
28 impose cost-sharing on Program recipients.

29 15-136.

30 (A) IN THIS SECTION, "NETWORK" MEANS THE PRIMARY ADULT CARE  
31 NETWORK.

32 (B) (1) THERE IS A PRIMARY ADULT CARE NETWORK WITHIN THE PROGRAM.

33 (2) THE PURPOSE OF THE PRIMARY ADULT CARE NETWORK IS TO:

34 (I) CONSOLIDATE HEALTH CARE SERVICES PROVIDED TO ADULTS  
35 THROUGH THE PROGRAM; AND

36 (II) ACCESS FEDERAL FUNDING TO EXPAND PRIMARY AND  
37 PREVENTIVE CARE TO ADULTS LACKING HEALTH CARE SERVICES.

1           ~~(2)~~    (3)    THE SECRETARY SHALL ADMINISTER THE NETWORK AS  
2 ALLOWED BY FEDERAL LAW OR WAIVER.

3           (C)    SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET AND AS ALLOWED  
4 BY FEDERAL LAW OR WAIVER, THE NETWORK SHALL PROVIDE A HEALTH CARE  
5 BENEFIT PACKAGE OFFERING PRIMARY AND PREVENTIVE CARE FOR ~~AN ADULT~~;  
6 ADULTS.

7           ~~(1)~~    ~~WHOSE ANNUAL HOUSEHOLD INCOME IS AT OR BELOW 150% OF THE~~  
8 ~~FEDERAL POVERTY LEVEL; AND~~

9           ~~(2)~~    ~~WHO LACKS HEALTH INSURANCE COVERAGE.~~

10         ~~(D)~~    ~~(1)    THE PROGRAM MAY REQUIRE COST SHARING AT REASONABLE~~  
11 ~~LEVELS.~~

12         ~~(2)~~    ~~THE TOTAL COST SHARING AUTHORIZED UNDER PARAGRAPH (1) OF~~  
13 ~~THIS SUBSECTION MAY NOT EXCEED \$1,000 ANNUALLY.~~

14         ~~(3)~~    ~~THE DEPARTMENT MAY REQUIRE AN ENROLLMENT FEE OF NO~~  
15 ~~GREATER THAN \$50.~~

16         ~~(E)~~    ~~THE NETWORK MAY ENTER INTO PARTNERSHIPS WITH COMMUNITY~~  
17 ~~ENTITIES TO PROVIDE ADDITIONAL COVERAGE FOR NETWORK ENROLLEES.~~

18         ~~(F)~~    (D)    THE NETWORK SHALL BE FUNDED:

19           (1)    AS PROVIDED IN THE STATE BUDGET; AND

20           (2)    WITH FEDERAL MATCHING MONEY.

21         ~~(G)~~    (E)    THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THE  
22 NETWORK.

23         SECTION 2. AND BE IT FURTHER ENACTED, That:

24         (a)    On or before October 1, 2003, the Department of Health and Mental  
25 Hygiene shall conduct a comprehensive review of health care services currently  
26 offered to adults through the Maryland Medical Assistance Program, including the  
27 Maryland Primary Care Program and the Maryland Pharmacy Assistance Program.  
28 The Department also shall review mental health services provided to adults through  
29 the Mental Hygiene Administration and health care services offered to adults with  
30 funds from the Cigarette Restitution Fund. In conducting the review, the Department  
31 shall identify mechanisms through which the programs and services can be  
32 consolidated to provide health care services to adults.

33         ~~(a)~~    ~~(1)~~    (b)    The Department of Health and Mental Hygiene shall use the  
34 information obtained in the comprehensive review conducted under subsection (a) of  
35 this section to seek approval of a waiver from the Centers for Medicare and Medicaid  
36 Services that would allow the State to use federal matching funds to implement the

1 Primary Adult Care Network established under § 15-136 of the Health - General  
2 Article, as enacted by Section 1 of this Act.

3 ~~(2) The waiver application shall include methods to merge the Maryland~~  
4 ~~Primary Care Program into the Primary Adult Care Network, while ensuring~~  
5 ~~continuity of benefits to enrollees in the Maryland Primary Care Program.~~

6 ~~(b)~~ (c) If the Department is denied the waiver applied for under subsection  
7 (a) of this section, the Department may not implement the program established under  
8 § 15-136 of the Health - General Article by, as enacted by Section 1 of this Act.

9 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
10 take effect on the date that the federal Centers for Medicare and Medicaid Services  
11 approves a waiver applied for in accordance with Section 2 of this Act. If the waiver is  
12 denied, this Act shall be null and void without the necessity of further action by the  
13 General Assembly. The Department of Health and Mental Hygiene, within 5 days  
14 after receiving notice of approval or denial of a waiver, shall forward a copy of the  
15 notice to the Department of Legislative Services, 90 State Circle, Annapolis,  
16 Maryland 21401.

17 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of  
18 Health and Mental Hygiene shall develop a methodology, that shall be revenue  
19 neutral to the State, to address the existing inequities between commercial and  
20 provider-sponsored managed care organizations as a result of adverse risk selection  
21 related to individuals in GEO-demographic rate cells. On or before October 1, 2003,  
22 the Department shall report to the Senate Finance Committee and the House Health  
23 and Government Operations Committee, in accordance with § 2-1246 of the State  
24 Government Article, on the methodology developed by the Department.

25 SECTION 4. 5. AND BE IT FURTHER ENACTED, That, except as provided in  
26 Section 3 of this Act, this Act shall take effect July 1, 2003.