

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL NO. 85

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Delegate Hubbard” and substitute “Delegates Hubbard, Nathan-Pulliam, Frank, Benson, Boteler, Boutin, Bromwell, Costa, Donoghue, Elliott, Goldwater, Hammen, Hurson, Kullen, Mandel, McDonough, Morhaim, Murray, Oaks, Pendergrass, Rudolph, V. Turner, and Weldon”; in line 2, strike “- Appeals” and substitute “and Quality of Care”; and strike beginning with “and” in line 6 down through “ratio” in line 7 and substitute “requiring the Secretary to adopt certain regulations prior to making a certain adjustment to capitation payments; authorizing the Secretary to modify, enhance, or replace the Value Based Purchasing Initiative in effect on a certain date, subject to certain conditions; and generally relating to the Maryland Medical Assistance Program, medical loss ratio, and quality of care”.

AMENDMENT NO. 2

On page 3, after line 35, insert:

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

(a) Prior to making any adjustments to capitation payments for a managed care organization, the Secretary of Health and Mental Hygiene, in consultation with the Maryland Insurance Commissioner, shall adopt regulations to implement the provisions of § 15-605(c)(5) of the Insurance Article.

(b) The regulations adopted under subsection (a) of this section shall:

(1) establish the definition of “loss ratio” for uniform application by all managed care organizations;

(2) establish procedures requiring the Secretary of Health and Mental Hygiene to

(Over)

consider the financial performance of a managed care organization in prior periods;

(3) establish standard data collection and reporting requirements for all managed care organizations;

(4) consistent with the provisions of § 15-605(c)(5) of the Insurance Article, establish a process for allowing a managed care organization to appeal a decision of the Secretary of Health and Mental Hygiene to adjust a managed care organization's capitation payments; and

(5) establish a mechanism for, and conditions under which, an adjustment to the capitation rates of a managed care organization are made.

(c) The Secretary of Health and Mental Hygiene shall adopt any additional regulations necessary to carry out the provisions of § 15-605(c)(5) of the Insurance Article and the goals of the HealthChoice Program.

SECTION 3. AND BE IT FURTHER ENACTED, That, as part of the ongoing efforts of the Department of Health and Mental Hygiene to ensure that managed care organizations deliver quality health care to their members, the Department may modify, enhance, or replace the Value Based Purchasing Initiative in effect on January 1, 2005, provided that:

(1) except as provided in item (4) of this section, any changes to the core set of performance measures and the methodology for penalties, rewards, disincentives, or incentives shall be adopted by regulation prior to the calendar year for which the managed care organizations will be held accountable for the standard;

(2) except as provided in item (4) of this section, the Secretary of Health and Mental Hygiene shall notify managed care organizations of the core set of performance measures and targets at least 3 months prior to the calendar year for which the managed care organizations will be held accountable to the standard;

(3) any penalty or capitation adjustment imposed under this section on a managed care organization may not be accomplished by means of a capitation withhold; and

(4) with respect to the performance measures for calendar year 2005, the Secretary of Health and Mental Hygiene may modify the ranges or targets of the core set of performance measures without complying with the provisions of items (1) and (2) of this section, provided that the dollar amounts of any financial rewards or disincentives shall be calculated as set forth in the

Value Based Purchasing Initiative in effect on January 1, 2005.”.

AMENDMENT NO. 3

On page 3, in line 36, strike “2.” and substitute “4.”; and in line 37, strike “October” and substitute “June”.