Unofficial Copy **2005 Regular Session**
SB0716/466886/1

BY: Health and Government Operations Committee

AMENDMENTS TO SENATE BILL NO. 716
(Third Reading File Bill)

AMENDMENT NO. 1

On page 2, strike beginning with "requiring" in line 9 down through "hotline;" in line 10; strike beginning with "requiring" in line 18 down through "changes;" in line 24; and in line 25, after "Resources" insert "Commission".

On page 3, strike beginning with "subsidize" in line 13 down through "resources" in line 14 and substitute "support the costs of the Community Health Resources Commission"; and in line 18, after "law;" insert "requiring a health maintenance organization to reimburse a community health resource for certain services; providing that a certain nonprofit health maintenance organization is not subject to the insurance premium tax; requiring the Maryland Community Health Resources Commission, in collaboration with community health resources and local health departments, to develop a specialty care network for certain individuals; requiring the specialty care network to meet certain requirements; requiring individuals who receive care through the specialty care network to pay for specialty care according to a sliding scale fee; requiring specialty care to be subsidized by certain funds, subject to the State budget; requiring the Maryland Community Health Resources Commission to provide to community health resources subsidies for specialty care; requiring a certain nonprofit health maintenance organization to transfer certain funds to a certain Medical Assistance Program Account; providing that beginning in a certain fiscal year, a certain amount of money allocated to the Medical Assistance Program Account that exceeds the amount needed to increase certain health care provider rates shall be transferred, in accordance with the State budget, to the Community Health Resources Commission Fund for a certain purpose; requiring a certain nonprofit health maintenance organization to file a certain report with the Maryland Insurance Commissioner on or before a certain date; requiring the Secretary of Health and Mental Hygiene to transfer to the Community Health Resources Commission Fund, within a certain time period, certain money collected from a nonprofit health maintenance organization; providing that certain portions of the Medical Assistance Program Account may by used by the Secretary of Health and Mental Hygiene only for certain purposes; authorizing the Board of the Maryland Health Insurance Plan to

(Over)

authorize the transfer of certain funds from the Maryland Health Insurance Plan Fund to the Major Information Technology Development Project Fund to design and develop a certain computerized eligibility system; providing that certain money transferred shall be redistributed to the Maryland Health Insurance Plan under certain circumstances; providing for the purpose of the computerized eligibility system; requiring the Department of Health and Mental Hygiene to submit a certain report to the Board of the Maryland Health Insurance Plan that includes certain information; prohibiting the Department of Health and Mental Hygiene from implementing a certain plan until certain actions have been taken by the Board of the Maryland Health Insurance Plan; making certain provisions of this Act subject to certain contingencies; making certain provisions of this Act retroactive; requiring the Department of Health and Mental Hygiene to apply for certain waivers; requiring the Department of Health and Mental Hygiene to review certain rates, make a certain comparison, and report on the review and comparison and on whether certain rates will exceed certain Medicare rates;"; and in line 42, strike "and 19-303(c)" and substitute ", 19-303(c), and 19-727".

On page 4, in line 1, after "19-214.1;" insert "19-712.7;"; in the same line, strike "19-2110" and substitute "19-2111"; after line 8, insert:

"BY repealing and reenacting, with amendments,
Article - Insurance
Section 6-101, 6-102(b), and 6-103
Annotated Code of Maryland
(2003 Replacement Volume and 2004 Supplement)
(As enacted by Chapter 5 of the Acts of the General Assembly of the 2004 Special Session)

BY adding to
Article - Insurance
Section 6-121
Annotated Code of Maryland
(2003 Replacement Volume and 2004 Supplement)";

in line 16, strike "15-131" and substitute "15-715"; and after line 18, insert:

"BY repealing and reenacting, with amendments,
Article - Insurance

Section 19-807(a) and (b)(3)(iv)
Annotated Code of Maryland
(2002 Replacement Volume and 2004 Supplement)
(As enacted by Chapter 1 of the Acts of the General Assembly of 2005)".

AMENDMENT NO. 2

On page 7, after line 4, insert:

"19-712.7.

TO THE EXTENT REQUIRED UNDER FEDERAL LAW, A HEALTH MAINTENANCE ORGANIZATION SHALL REIMBURSE A COMMUNITY HEALTH RESOURCE, AS DEFINED IN § 19-2101 OF THIS TITLE, FOR COVERED SERVICES PROVIDED TO A MEMBER OR SUBSCRIBER OF THE HEALTH MAINTENANCE ORGANIZATION.

19-727.

(A) [A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A health maintenance organization is not exempted from any State, county, or local taxes solely because of this subtitle.

(B) (1) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE IS NOT SUBJECT TO THE INSURANCE PREMIUM TAX UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE.

(2) PREMIUMS RECEIVED BY AN INSURER UNDER POLICIES THAT PROVIDE HEALTH MAINTENANCE ORGANIZATION BENEFITS ARE NOT SUBJECT TO THE PREMIUM TAX IMPOSED UNDER TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE TO THE EXTENT:

(I) OF THE AMOUNTS ACTUALLY PAID BY THE INSURER TO A NONPROFIT HEALTH MAINTENANCE ORGANIZATION THAT OPERATES ONLY AS A

HEALTH MAINTENANCE ORGANIZATION; OR

(II) THE PREMIUMS HAVE BEEN PAID BY THAT NONPROFIT HEALTH MAINTENANCE ORGANIZATION.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Health - General";

and strike beginning with "FOR" in line 26 down through "COMMISSION" in line 28.

AMENDMENT NO. 3

On page 8, in lines 12, 14, and 30, in each instance, strike "NINE" and substitute "ELEVEN"; after line 20, insert:

"(III) ONE SHALL BE A REPRESENTATIVE OF A MARYLAND HOSPITAL;";

in lines 21 and 28, strike "(III)" and "(IV)", respectively, and substitute "(IV)" and "(VI)", respectively; and after line 27, insert:

"(V) ONE SHALL BE AN INDIVIDUAL WHO HAS A BACKGROUND OR EXPERIENCE WITH AN OUTPATIENT MENTAL HEALTH CLINIC WITHIN THE PAST 5 YEARS;".

AMENDMENT NO. 4

On page 9, after line 5, insert:

"19-2105.

(A) WITH THE APPROVAL OF THE GOVERNOR, THE COMMISSION SHALL APPOINT AN EXECUTIVE DIRECTOR, WHO IS THE CHIEF ADMINISTRATIVE OFFICER OF THE COMMISSION.

(B) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE COMMISSION.

(C) UNDER THE DIRECTION OF THE COMMISSION, THE EXECUTIVE DIRECTOR SHALL PERFORM ANY DUTY OR FUNCTION THAT THE COMMISSION REQUIRES.";

in lines 6 and 23, strike "19-2105." and "19-2106.", respectively, and substitute "19-2106."and "19-2107.", respectively; in line 10, strike "FIVE" and substitute "SIX"; strike beginning with "EACH" in line 17 down through "(2)" in line 19 and substitute "A MEMBER OF THE COMMISSION:

(1) MAY NOT RECEIVE COMPENSATION; BUT

(2) IS ENTITLED TO";

in line 21, after "(D)" insert "(1)"; and after line 22, insert:

"(2) THE COMMISSION, IN CONSULTATION WITH THE SECRETARY, SHALL DETERMINE THE APPROPRIATE JOB CLASSIFICATIONS AND GRADES FOR ALL STAFF.".

AMENDMENT NO. 5

On page 10, in line 15, strike the second "AND"; in line 16, after "MEETING" insert ";

(3) PREPARE ANNUALLY A BUDGET PROPOSAL THAT INCLUDES THE ESTIMATED INCOME OF THE COMMISSION AND PROPOSED EXPENSES FOR ITS ADMINISTRATION AND OPERATION; AND

(4) ON OR BEFORE OCTOBER 1 OF EACH YEAR, SUBMIT TO THE GOVERNOR, TO THE SECRETARY, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY AN ANNUAL REPORT ON THE OPERATIONS AND ACTIVITIES OF THE COMMISSION DURING THE

PRECEDING FISCAL YEAR";

in lines 17 and 30, strike "19-2107." and "19-2108.", respectively, and substitute "19-2108." and "19-2109.", respectively; strike in their entirety lines 22 through 29, inclusive, and substitute:

"(B) THE POWER OF THE SECRETARY TO TRANSFER BY RULE, REGULATION, OR WRITTEN DIRECTIVE ANY STAFF, FUNCTIONS, OR FUNDS OF UNITS IN THE DEPARTMENT DOES NOT APPLY TO ANY STAFF, FUNCTIONS, OR FUNDS OF THE COMMISSION.";

and in line 32, after "SHALL" insert ", TO THE EXTENT BUDGETED RESOURCES PERMIT,".

AMENDMENT NO. 6

On page 11, in lines 10, 11, and 12, in each instance, strike "CAPITAL AND"; strike in their entirety lines 14 through 16, inclusive, and substitute:

"(7) TAKING INTO CONSIDERATION REGIONAL DISPARITIES IN INCOME AND THE COST OF MEDICAL SERVICES, ESTABLISH GUIDELINES FOR SLIDING SCALE FEE PAYMENTS AT COMMUNITY HEALTH RESOURCES THAT ARE NOT FEDERALLY QUALIFIED HEALTH CENTERS, FOR INDIVIDUALS WHOSE FAMILY INCOME IS BETWEEN 100% AND 200% OF THE FEDERAL POVERTY GUIDELINES;";

in line 26, strike "EVALUATE THE FEASIBILITY OF DEVELOPING" and substitute "WORK WITH COMMUNITY HEALTH RESOURCES, HOSPITAL SYSTEMS, AND OTHERS TO DEVELOP"; and strike in their entirety lines 31 through 36, inclusive, and substitute:

"(12) WORK IN COOPERATION WITH CLINICAL EDUCATION AND TRAINING PROGRAMS, AREA HEALTH EDUCATION CENTERS, AND TELEMEDICINE CENTERS TO ENHANCE ACCESS TO QUALITY PRIMARY AND SPECIALTY HEALTH CARE FOR INDIVIDUALS IN RURAL AND UNDERSERVED AREAS REFERRED BY COMMUNITY HEALTH RESOURCES;

(13) EVALUATE THE FEASIBILITY OF DEVELOPING A CAPITAL GRANT PROGRAM FOR COMMUNITY HEALTH RESOURCES THAT ARE NOT FEDERALLY

QUALIFIED HEALTH CENTERS;".

AMENDMENT NO. 7

On page 12, in line 7, strike "COMMERCIAL"; in the same line, after "INSURERS," insert "NONPROFIT HEALTH SERVICE PLANS,"; in line 12, strike "AND"; and in line 15, after "RESOURCE" insert "THAT IS ALSO A MARYLAND QUALIFIED HEALTH CENTER OR A SCHOOL-BASED HEALTH CENTER; AND

(18) ESTABLISH CRITERIA AND MECHANISMS TO PAY FOR OFFICE-BASED SPECIALTY CARE VISITS, DIAGNOSTIC TESTING, AND LABORATORY TESTS FOR UNINSURED INDIVIDUALS WITH FAMILY INCOME THAT DOES NOT EXCEED 200% OF THE FEDERAL POVERTY GUIDELINES WHO ARE REFERRED THROUGH COMMUNITY HEALTH RESOURCES".

AMENDMENT NO. 8

On page 13, in line 1, strike "SCHEDULE FOR PREMIUM PAYMENTS TO BE PAID BY" and substitute "A FEE SCHEDULE FOR"; in line 3, strike "A SCHEDULE FOR THE REIMBURSEMENT" and substitute "REIMBURSEMENT RATES"; in line 4, strike "PRIVATE INSURERS" and substitute "INSURERS, NONPROFIT HEALTH SERVICE PLANS, AND HEALTH MAINTENANCE ORGANIZATIONS"; and strike in their entirety lines 22 through 35, inclusive.

AMENDMENT NO. 9

On page 14, strike in their entirety lines 2 through 13, inclusive, and substitute:

"TO FACILITATE ITS WORK, THE COMMISSION SHALL ESTABLISH STANDING COMMITTEES, INCLUDING:

(1) THE COMMITTEE ON CAPITAL AND OPERATIONAL FUNDING;

(2) THE COMMITTEE ON HOSPITAL AND COMMUNITY HEALTH RESOURCES RELATIONS;

(3) THE COMMITTEE ON SCHOOL-BASED COMMUNITY HEALTH CENTER EXPANSION; AND

(4) THE COMMITTEE ON DATA INFORMATION SYSTEMS.

19-2111.

(A) THE COMMISSION, IN COLLABORATION WITH COMMUNITY HEALTH RESOURCES AND LOCAL HEALTH DEPARTMENTS, SHALL DEVELOP A SPECIALTY CARE NETWORK FOR INDIVIDUALS:

(1) WITH FAMILY INCOME THAT DOES NOT EXCEED 200% OF THE FEDERAL POVERTY LEVEL; AND

(2) WHO ARE REFERRED THROUGH A COMMUNITY HEALTH RESOURCE.

(B) THE SPECIALTY CARE NETWORK SHALL:

(1) CONSIST OF HEALTH CARE PRACTITIONERS WHO AGREE TO PROVIDE CARE TO INDIVIDUALS REFERRED THROUGH A COMMUNITY HEALTH RESOURCE FOR A DISCOUNTED FEE ESTABLISHED BY THE COMMISSION~~;~~ AND

(2) INCLUDE HEALTH CARE PRACTITIONERS WHO HISTORICALLY HAVE SERVED THE UNINSURED.

(C) INDIVIDUALS RECEIVING HEALTH CARE THROUGH THE SPECIALTY CARE NETWORK SHALL PAY FOR SPECIALTY CARE ACCORDING TO A SLIDING FEE SCALE DEVELOPED BY THE COMMISSION.

(D) IN ADDITION TO PATIENT FEES, OFFICE-BASED SPECIALTY CARE VISITS, DIAGNOSTIC TESTING, AND LABORATORY TESTS SHALL BE SUBSIDIZED BY FUNDS PROVIDED FROM:

(1) GENERAL FUNDS; AND

(2) MONEY COLLECTED FROM A NONPROFIT HEALTH MAINTENANCE ORGANIZATION IN ACCORDANCE WITH § 6-121(B)(3) OF THE INSURANCE ARTICLE.

(E) SUBJECT TO AVAILABLE FUNDING, THE COMMISSION SHALL PROVIDE SUBSIDIES TO COMMUNITY HEALTH RESOURCES FOR OFFICE-BASED SPECIALTY CARE VISITS, DIAGNOSTIC TESTING, AND LABORATORY TESTS.";

in line 14, strike "3." and substitute "4."; and in lines 17, 19, and 21, in each instance, after "RESOURCES" insert "COMMISSION".

AMENDMENT NO. 10

On page 15, in lines 5 and 6, strike "AS OF JULY 1, 2005 THROUGH JUNE 30, 2008"; in lines 9 and 10, strike "AS OF JULY 1, 2005 THROUGH JUNE 30, 2008"; strike beginning with ", LESS" in line 12 down through "SUBSECTION," in line 13; and in line 21, strike "$1,000,000" and substitute "$1,500,000".

AMENDMENT NO. 11

On page 15, in line 27, strike "AND"; and in line 29, after "RESOURCES" insert "; AND

(4) ESTABLISH CRITERIA AND MECHANISMS FOR FUNDING A UNIFIED DATA INFORMATION SYSTEM".

On page 17, strike in their entirety lines 1 through 3, inclusive.

AMENDMENT NO. 12

On page 23, after line 26, insert:

"6-101.

(a) The following persons are subject to taxation under this subtitle:

(1) a person engaged as principal in the business of writing insurance contracts,

surety contracts, guaranty contracts, or annuity contracts;

(2) a managed care organization authorized by Title 15, Subtitle 1 of the Health - General Article;

(3) A FOR-PROFIT health maintenance organization authorized by Title 19, Subtitle 7 of the Health - General Article;

(4) an attorney in fact for a reciprocal insurer;

(5) the Maryland Automobile Insurance Fund; and

(6) a credit indemnity company.

(b) The following persons are not subject to taxation under this subtitle:

(1) a nonprofit health service plan corporation that meets the requirements established under §§ 14-106 and 14-107 of this article;

(2) a fraternal benefit society;

(3) a surplus lines broker, who is subject to taxation in accordance with Title 3, Subtitle 3 of this article;

(4) an unauthorized insurer, who is subject to taxation in accordance with Title 4, Subtitle 2 of this article;

(5) the Maryland Health Insurance Plan established under Title 14, Subtitle 5, Part I of this article; **[**or**]**

(6) the Senior Prescription Drug Program established under Title 14, Subtitle 5, Part II of this article; OR

(7) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION

AUTHORIZED BY TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

6-102.

(b) Premiums to be taxed include:

(1) the consideration for a surety contract, guaranty contract, or annuity contract;

(2) gross receipts received as a result of capitation payments, supplemental payments, and bonus payments, made to a managed care organization for provider services to an individual who is enrolled in a managed care organization;

(3) subscription charges or other amounts paid to a FOR-PROFIT health maintenance organization on a predetermined periodic rate basis by a person other than a person subject to the tax under this subtitle as compensation for providing health care services to members;

(4) dividends on life insurance policies that have been applied to buy additional insurance or to shorten the period during which a premium is payable; and

(5) the part of the gross receipts of a title insurer that is derived from insurance business or guaranty business.

6-103.

The tax rate is:

(1) 0% for premiums for annuities; and

(2) 2% for all other premiums, including:

(i) gross receipts received as a result of capitation payments made to a managed care organization, supplemental payments, and bonus payments; and

(ii) subscription charges or other amounts paid to a FOR-PROFIT health maintenance organization.

6-121.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "NONPROFIT HEALTH MAINTENANCE ORGANIZATION" MEANS A HEALTH MAINTENANCE ORGANIZATION AUTHORIZED BY TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

(3) "PREMIUM TAX EXEMPTION VALUE" MEANS THE AMOUNT OF PREMIUM TAXES THAT A NONPROFIT HEALTH MAINTENANCE ORGANIZATION WOULD HAVE BEEN REQUIRED TO PAY IF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION WERE NOT EXEMPT FROM TAXATION UNDER § 6-101(B)(7) OF THIS SUBTITLE.

(B) (1) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION SHALL TRANSFER FUNDS IN AN AMOUNT EQUAL TO THE PREMIUM TAX EXEMPTION VALUE OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT ESTABLISHED UNDER TITLE 19, SUBTITLE 8 OF THIS ARTICLE TO BE USED TO SUPPORT THE PROVISION OF HEALTH CARE TO ELIGIBLE INDIVIDUALS.

(2) NOTWITHSTANDING THE ALLOCATION PROVIDED UNDER § 19-803(B) OF THIS ARTICLE, THE AMOUNT TRANSFERRED TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT BY A NONPROFIT HEALTH MAINTENANCE ORGANIZATION UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) SHALL BE ALLOCATED DIRECTLY TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT; AND

(II) SHALL BE COUNTED TOWARDS THE TOTAL ALLOCATION REQUIRED TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT UNDER § 19-803(B)(3)(II)2, (III)2, (IV)2, (V)2, AND (VI) OF THIS ARTICLE.

(3) BEGINNING IN FISCAL YEAR 2008 AND ANNUALLY THEREAFTER THE AMOUNT UNDER PARAGRAPH (2) OF THIS SUBSECTION THAT IS COUNTED TOWARDS THE TOTAL ALLOCATION UNDER § 19-803(B)(3)(IV)2, (V)2, AND (VI) OF THIS ARTICLE THAT EXCEEDS THE AMOUNT NEEDED TO INCREASE BOTH FEE-FOR-SERVICE HEALTH CARE PROVIDER RATES PAID BY THE MEDICAL ASSISTANCE PROGRAM AND MANAGED CARE ORGANIZATION HEALTH CARE PROVIDER RATES TO A LEVEL OF RATES PAID TO SIMILAR PROVIDERS FOR THE SAME SERVICES UNDER THE FEDERAL MEDICARE FEE SCHEDULE SHALL BE TRANSFERRED, UNLESS OTHERWISE PROVIDED IN THE STATE BUDGET, TO THE COMMUNITY HEALTH RESOURCES COMMISSION FUND UNDER TITLE 19, SUBTITLE 22 OF THE HEALTH-GENERAL ARTICLE FOR THE PURPOSE OF SUPPORTING OFFICE-BASED SPECIALTY CARE, DIAGNOSTIC TESTING, AND LABORATORY TESTS FOR INDIVIDUALS WITH FAMILY INCOME THAT DOES NOT EXCEED 200% OF THE FEDERAL POVERTY LEVEL.

(C) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION SHALL TRANSFER TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT:

(1) ON OR BEFORE AUGUST 1, 2005, AN AMOUNT EQUAL TO THE PREMIUM TAX EXEMPTION VALUE OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION FOR THE LAST 6 MONTHS OF FISCAL YEAR 2005; AND

(2) WITHIN 30 DAYS FOLLOWING THE END OF EACH CALENDAR QUARTER, AN AMOUNT EQUAL TO THE PREMIUM TAX EXEMPTION VALUE OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION FOR THE QUARTER

(D) ON OR BEFORE MARCH 1 OF EACH YEAR, A NONPROFIT HEALTH MAINTENANCE ORGANIZATION SHALL FILE A REPORT WITH THE COMMISSIONER

ESTABLISHING THAT THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION TRANSFERRED FUNDS EQUAL TO ITS PREMIUM TAX EXEMPTION VALUE DURING THE PRECEDING CALENDAR YEAR AS REQUIRED BY THIS SECTION.".

AMENDMENT NO. 13

On page 24, strike beginning with "SUBSIDIZE" in line 12 down through "(V)" in line 14; strike in their entirety lines 16 and 17 and substitute:

"(V) SUPPORT THE COSTS OF THE COMMUNITY HEALTH RESOURCES COMMISSION UNDER TITLE 19, SUBTITLE 21 OF THE HEALTH-GENERAL ARTICLE, INCLUDING:

1. OPERATING GRANTS TO COMMUNITY HEALTH RESOURCES;

2. FUNDING FOR A UNIFIED DATA INFORMATION SYSTEM;

3. THE DOCUMENTED DIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE COMMISSION; AND

4. THE ADMINISTRATIVE COSTS OF THE COMMISSION.";

strike in their entirety lines 18 and 19 and substitute:

"(2) (I) THE SUPPORT PROVIDED UNDER PARAGRAPH (1)(V)1, 3, AND 4, OF THIS SUBSECTION TO THE COMMUNITY HEALTH RESOURCES COMMISSION SHALL BE LIMITED TO:";

in line 20, strike "$6,000,000" and substitute "$2,000,000"; in lines 23, 25, and 28, in each instance, strike "SECTION" and substitute "SUBSECTION"; in line 24, strike "AND"; in line 26, after "PROGRAM" insert "; AND

C. THE FUNDING REQUIRED UNDER THIS SUBSECTION FOR THE UNIFIED DATA INFORMATION SYSTEM";

in line 27, strike "(1)(V)" and substitute "(1)(IV)"; and in lines 30 and 31, strike "$1,000,000" and "$600,000", respectively, and substitute "$500,000" and "$300,000", respectively.

On page 25, in line 1, strike "SUBSIDY" and substitute "AMOUNT"; in the same line, strike "(1)(VI)" and substitute "(1)(V)2."; in line 2, after "SYSTEM" insert "SHALL BE"; in line 3, strike "$1,000,000" and substitute "$500,000"; and strike beginning with the colon in line 15 down through "SYSTEM" in line 19 and substitute "SUPPORT THE COSTS OF THE COMMUNITY HEALTH RESOURCES COMMISSION AS PROVIDED IN § 14-106(D)(V) OF THIS SUBTITLE".

AMENDMENT NO. 14

On pages 25 and 26, strike in their entirety the lines beginning with line 23 on page 25 through line 4 on page 26, inclusive, and substitute:

"15-715.

(A) THIS SECTION APPLIES TO EACH INDIVIDUAL OR GROUP HEALTH INSURANCE POLICY OR CONTRACT OF AN INSURER THAT IS ISSUED OR DELIVERED IN THE STATE BY AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION.

(B) TO THE EXTENT REQUIRED UNDER FEDERAL LAW, AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION SHALL REIMBURSE A COMMUNITY HEALTH RESOURCE, AS DEFINED IN § 19-2101 OF THE HEALTH - GENERAL ARTICLE, FOR COVERED SERVICES PROVIDED TO THE INSURED OR ANY OTHER PERSON COVERED BY THE POLICY.

19-807.

(a) (1) The Commissioner shall disburse money from the Medical Assistance Program account to the Secretary.

(2) THE SECRETARY SHALL TRANSFER TO THE COMMUNITY HEALTH RESOURCES COMMISSION FUND ESTABLISHED UNDER § 19-2201 OF THE HEALTH - GENERAL ARTICLE, WITHIN 30 DAYS FOLLOWING THE END OF EACH QUARTER DURING FISCAL YEAR 2008 AND EACH FISCAL YEAR THEREAFTER, THE MONEY COLLECTED FROM A NONPROFIT HEALTH MAINTENANCE ORGANIZATION IN ACCORDANCE WITH § 6-121(B)(3) OF THIS ARTICLE.

(b) (3) Portions of the Medical Assistance Program Account that exceed the amount provided under paragraph (2) of this subsection shall be used by the Secretary only to:

(iv) after fiscal year [2009] 2008:

1. Maintain increased capitation payments to managed care organizations;

2. Maintain increased rates for health care providers; [and]

3. IN ACCORDANCE WITH § 6-121(B)(3) OF THIS ARTICLE, SUPPORT THE PROVISION OF OFFICE-BASED SPECIALTY CARE, DIAGNOSTIC TESTING, AND LABORATORY TESTS FOR INDIVIDUALS WITH FAMILY INCOME THAT DOES NOT EXCEED 200% OF THE FEDERAL POVERTY LEVEL; AND

4. Support generally the operations of the Maryland Medical Assistance Program.".

AMENDMENT NO. 15

On page 26, in lines 8, 10, and 12, strike "eight voting", "four", and "four", respectively, and substitute "six", "three", and "three", respectively; in line 9, after the comma insert "who shall be voting members of the Task Force,".

AMENDMENT NO. 16

On page 27, after line 29, insert:

"SECTION 8. AND BE IT FURTHER ENACTED, That:

(a) (1) (i) Notwithstanding the provisions of § 14-504 of the Insurance Article, in fiscal year 2006 only, the Board of Directors of the Maryland Health Insurance Plan may authorize the transfer of not more than $15,000,000 from the Maryland Health Insurance Plan Fund to the Major Information Technology Development Project Fund established under § 3-410.2 of the State Finance and Procurement Article to be used for the design and development of a computerized eligibility system by the Department of Health and Mental Hygiene.

(ii) Notwithstanding the provisions of § 3-410.2 of the State Finance and Procurement Article, to the extent that the money transferred under this paragraph is not used for the purposes authorized under this subsection, the money shall be redistributed to the Maryland Health Insurance Plan Fund.

(2) The purposes of the computerized system are to:

(i) enroll eligible individuals more efficiently in the Medicaid Program;

(ii) refer eligible individuals to the Maryland Health Insurance Plan; and

(iii) if practicable, make referrals to other available State- and federally-sponsored programs that provide inpatient hospital coverage for uninsured individuals and other health care services that have the potential to reduce uncompensated care at Maryland hospitals.

(b) (1) Before issuing a request for proposals for the development of a computerized eligibility system under this section, the Department shall report to the Board of the Maryland Health Insurance Plan on a plan to implement the proposed eligibility system, including a design draft and a description of how the system will function.

(2) The report required under paragraph (1) of this subsection shall:

(i) enumerate the specifications of any request for proposals to develop the eligibility system;

(ii) demonstrate how the proposed computerized eligibility system will be more efficient and effective than the existing system;

(iii) estimate the reduction in hospital uncompensated care that would result from the appropriate use of the proposed computerized eligibility system; and

(iv) demonstrate how the proposed computerized eligibility system will improve enrollment of eligible individuals in the Maryland Health Insurance Plan.

(c) (1) After reviewing the report required under subsection (b) of this section, the Board of the Maryland Health Insurance Plan:

(i) may make comments and suggest changes to the proposed plan; and

(ii) shall submit a copy of the report to the Chief of Information Technology in the Department of Budget and Management.

(2) The Department may not proceed in implementing the proposed computerized eligibility system until the Board of the Maryland Health Insurance Plan:

(i) is satisfied with the functional capabilities of the proposed computerized eligibility system as described in the request for proposals;

(ii) is satisfied that there will be a reduction in hospital uncompensated care commensurate with the investment of Maryland Health Insurance Plan Fund money in the proposed computerized eligibility system;

(iii) obtains approval of the proposed computerized eligibility system from the Chief of Information Technology; and

(iv) votes affirmatively for the Department to proceed to implement the proposed computerized eligibility system.

(d) This section shall be contingent on the approval by the Centers for Medicare and

Medicaid Services, in accordance with the terms of the federal waiver granted to the State of Maryland under§ 1814(b) of the Social Security Act, of the use of Medicare funds for the design and development of the eligibility system in accordance with this Section. The Department of Health and Mental Hygiene, within 5 days after receiving the decision of the Centers for Medicare and Medicaid Services, shall forward a copy of the decision to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland, 21401. If the Centers for Medicare and Medicaid Services do not approve the use of Medicare funds for the design and development of the eligibility system on or before June 30, 2006, this section shall be null and void without the necessity of any further action by the General Assembly.

SECTION 9. AND BE IT FURTHER ENACTED, That the exemption from the insurance premium tax for nonprofit health maintenance organizations under § 6-101(b)(7) of the Insurance Article, as enacted by Section 4 of this Act, shall be applicable to all subscription charges or other amounts paid to a nonprofit health maintenance organization on or after January 1, 2005. Notwithstanding any other provision of law, on or before August 1, 2005, the Maryland Insurance Commissioner shall refund any premium tax paid before the effective date of this Act by a nonprofit health maintenance organization that is exempt from the premium tax under § 6-101(b)(7) of the Insurance Article, as enacted by Section 4 of this Act.

SECTION 10. AND BE IT FURTHER ENACTED, That the Department of Health and Mental Hygiene shall apply to the federal Department of Health and Human Services for any waivers required under 42 CFR § 433.68 to effect the changes to § 19-727 of the Health - General Article, as enacted by Section 2 of this Act, and §§ 6-101 and 6-121 of the Insurance Article, as enacted by Section 4 of this Act. The Department of Health and Mental Hygiene, within 5 days after receiving the decision of the Department of Health and Human Services, shall forward a copy of the decision to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401. If a waiver is not approved, the changes to § 19-727 of the Health - General Article, as enacted by Section 2 of this Act, and § 6-101 and 6-121 of the Insurance Article, as enacted by Section 4 of this Act, shall be null and void without the necessity of any further action by the General Assembly.

SECTION 11. AND BE IT FURTHER ENACTED, That:

(a) For the calendar year prior to the report date under subsection (b) of this section, the

Department of Health and Mental Hygiene shall review the rates paid to providers under the federal Medicare fee schedule and compare the rates under the Medicare fee schedule to the fee-for-service rates paid to similar providers for the same services under the Medical Assistance Program and the rates paid to managed care organization providers for the same services under the Medical Assistance Program.

(b) On or before January 1, 2006, and each January 1 thereafter, the Department shall report to the Senate Finance Committee and the House Health and Government Operations Committee on:

(1) the review and comparison under subsection (a) of this section; and

(2) whether the fee-for-services rates and managed care organization provider rates will exceed the rates paid under the Medicare fee schedule for the period covered by the report required under subsection (a) of this section.";

and in line 30, strike "8." and substitute "12.".

AMENDMENT NO. 17

On page 28, in line 16, strike "9." and substitute "13."; in line 22, strike "10." and substitute "14."; and in lines 22 and 24, strike "9", "3", and "2008", respectively, and substitute "13", "5", and "2010", respectively.