Unofficial Copy **2005 Regular Session**
HB0627/447275/3

BY: Finance Committee

AMENDMENTS TO HOUSE BILL NO. 627
(Third Reading File Bill)

AMENDMENT NO.1

On page 1, in line 3, after "of" insert "altering the eligibility requirements of the Maryland Pharmacy Discount Program to cover individuals who are not Medicare beneficiaries, who lack other public or private prescription drug coverage, who have a certain annual household income, and to exclude Medicare beneficiaries; altering the price at which an enrollee in the Program may purchase certain prescription drugs;"; strike beginning with "requiring" in line 8 down through "requirements;" in line 9; and in line 22, strike "Committees" and substitute "committees".

On pages 1 and 2, strike beginning with "providing" in line 25 on page 1 down through "tax;" in line 1 on page 2.

On page 2, in line 4, after the second "the" insert "Maryland Community Health Resources"; in lines 5, 8, and 15, in each instance, after "the" insert "Maryland Community Health Resources"; in line 7, strike the fifth comma and substitute "and"; in line 8, strike ", and executive director"; in line 9, after "Governor," insert "the"; in line 10, after "and" insert "the"; strike beginning with "requiring" in line 11 down through "hotline;" in line 12; strike beginning with "persons" in line 13 down through "resources" in line 15 and substitute "groups in fulfilling its duties"; in line 15, strike "in a certain manner"; strike beginning with "in" in line 16 down through "submit" in line 21 and substitute "relating to certain criteria to qualify as a community health resource;"; strike beginning with "certain" in line 22 down through "dates;" in line 23 and substitute "requiring the Maryland Community Health Resources Commission to adopt certain regulations relating to the services that a community health resource shall provide; requiring the Maryland Community Health Resources Commission to adopt certain regulations relating to grants; requiring the Maryland Community Health Resources Commission to administer, develop, identify, evaluate, and study certain programs;"; in line 26, strike "awarded"; in the same line, strike "a"; in the same line, strike "resource" and substitute "resources"; in line 28, after the second "Fund" insert "; providing for the investment of the Fund"; in line 29, after "to" insert "a certain"; strike beginning with "requiring" in

(Over)

line 29 down through "Commission" in line 30; strike beginning with the comma in line 31 down through "Commission" in line 37; strike beginning with "to" in line 38 down through "care;" in line 39; strike beginning with "requiring" in line 40 down through "coverage;" in line 42.

On page 3, in line 5, after "process;" insert "authorizing the Board of Public Works to make certain funds available for a State grant under certain circumstances;"; in the same line, strike "authorizing the Board of Public Works to adopt certain regulations"; in line 8, after "purposes;" insert "requiring the Governor to include funding in the capital budget for the Federally Qualified Health Centers Grant Program; authorizing the Board of Public Works to adopt certain regulations;"; in line 9, after "expended" insert "; authorizing the Secretary of the Board of Public Works to file a civil complaint"; strike beginning with "requiring" in line 11 down through "organization;" in line 20; in line 21, strike "a" and substitute "certain"; in the same line, strike "plan" and substitute "plans"; in line 22, strike "subsidize grants to community health resources" and substitute "support the costs of the Community Health Resources Commission, subsidize the Maryland Pharmacy Discount Program, provide funding for a unified data information system,"; strike beginning with "to" in line 22 down through "Fund" in line 23; in line 24, strike "a"; in the same line, strike "purpose" and substitute "purposes"; strike beginning with "providing" in line 31 down through "contingency;" in line 44 and substitute "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 be used by the Secretary of Health and Mental Hygiene only for certain purposes; authorizing the Board of the Maryland Health Insurance Plan to 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;"; in line 46, after "Force;" insert "requiring the Task Force to report its findings on or before a certain date;"; and strike beginning with "requiring" in line 46 down through "retroactive;" in line 48.

On page 4, in line 6, strike "Committees" and substitute "committees"; in the same line, after "date;" insert "requiring the Department of Health and Mental Hygiene to submit to the Centers for Medicare and Medicaid Services an application for an amendment to a certain waiver; requiring the Department to apply for certain federal matching funds; providing that certain enrollees in the Maryland Pharmacy Discount Program remain enrolled in the Program through a certain date if the application for a certain amendment to a certain demonstration waiver is approved; requiring the Secretary of Health and Mental Hygiene to provide certain notice to the Department of Legislative Services;"; in line 8, after "care" insert "services through community health resources and Federally Qualified Health Centers"; strike in their entirety lines 9 through 13, inclusive, and substitute:

"BY repealing and reenacting, with amendments,
Article - Health - General
Section 15-124.1, 19-303(c), and 19-727
Annotated Code of Maryland
(2000 Replacement Volume and 2004 Supplement)";

in line 17, after the semicolon insert "19-712.7;"; in the same line, strike "19-2114" and substitute "19-2111"; in line 19, after the semicolon insert "19-2201 to be under the new subtitle "Subtitle 22. Community Health Resources Commission Fund";"; strike in their entirety lines 24 through 33, inclusive; and in line 36, after "6-101" insert ", 6-102(b), and 6-103".

On page 5, strike in their entirety lines 1 through 7, inclusive; in line 10, strike ", 14-106.1, and 15-131"; in line 12, strike "2002" and substitute "2003"; and after line 12, insert:

"BY repealing and reenacting, with amendments,
Article - Insurance
Section 14-102(h) and 14-106(d)
Annotated Code of Maryland
(2002 Replacement Volume and 2004 Supplement)

BY adding to
Article - Insurance
Section 14-106.1 and 15-715
Annotated Code of Maryland
(2002 Replacement Volume and 2004 Supplement)

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)".

On pages 5 and 6, strike in their entirety the lines beginning with line 18 on page 5 through line 5 on page 6, inclusive.

AMENDMENT NO. 2
On page 6, strike in their entirety lines 8 through 15, inclusive; after line 16, insert:

"15-124.1.

(a) (1) In this section the following words have the meanings indicated:

(2) "Enrollee" means an individual who is enrolled in the Maryland Pharmacy Discount Program.

(3) "Program" means the Maryland Pharmacy Discount Program established under this section.

(b) There is a Maryland Pharmacy Discount Program within the Maryland Medical Assistance Program.

(c) The purpose of the Program is to improve the health status of [Medicare beneficiaries] LOWER-INCOME INDIVIDUALS WHO ARE NOT MEDICARE BENEFICIARIES AND who lack prescription drug coverage by providing access to lower cost, medically necessary, prescription drugs.

(d) The Program shall be administered and operated by the Department as permitted by federal law or waiver.

(e) (1) The Program shall be open to [Medicare beneficiaries] INDIVIDUALS WHO ARE NOT MEDICARE BENEFICIARIES, who lack other public or private prescription drug coverage, AND WHO HAVE AN ANNUAL HOUSEHOLD INCOME BELOW 200% OF THE FEDERAL POVERTY LEVEL GUIDELINES.

(2) Notwithstanding paragraph (1) of this subsection, enrollment in the Maryland Medbank Program established under § 15-124.2 of this subtitle or the Maryland Pharmacy Assistance Program established under § 15-124 of this subtitle does not disqualify an individual from being eligible for the Program.

(f) [(1)] Subject to subsection (g) of this section, an enrollee may purchase medically necessary prescription drugs that are covered under the Maryland Medical Assistance Program from

any pharmacy that participates in the Maryland Medical Assistance Program at a price that is based on the price paid by the Maryland Medical Assistance Program, minus the aggregate value of any federally mandated manufacturers' rebates AND ANY STATE CONTRIBUTION AMOUNT.

[(2) Subject to subsection (g) of this section, and to the extent authorized under federal waiver, an enrollee whose annual household income is at or below 175 percent of the federal poverty guidelines may receive a discount subsidized by the Department that is equal to 35 percent of the price paid by the Maryland Medical Assistance Program for each medically necessary prescription drug purchased under the Program.]

(g) The Department may establish mechanisms to:

(1) Recover the administrative costs of the Program;

(2) Reimburse participating pharmacies in an amount equal to the Maryland Medical Assistance price, minus the copayment paid by the enrollee for each prescription filled under the Program; and

(3) Allow participating pharmacies to collect a $1 processing fee, in addition to any authorized dispensing fee, for each prescription filled for an enrollee under the Program.

(h) The Secretary shall adopt regulations to implement the Program.

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

Article - Health - General".

On page 9, strike in their entirety lines 5 through 27, inclusive.

AMENDMENT NO. 3

On page 10, strike in their entirety lines 9 through 30, inclusive, and substitute:

"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.";

and in line 35, after "(B)" insert "(1)".

On page 11, after line 2, insert:

"(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 "HISTORIC" in line 25 down through "(XII)" in line 27 and substitute "WELLMOBILE;

(XI) A HEALTH CENTER CONTROLLED OPERATING NETWORK;

(XII) A HISTORIC MARYLAND PRIMARY CARE PROVIDER;

(XIII) AN OUTPATIENT MENTAL HEALTH CLINIC; AND

(XIV)".

AMENDMENT NO. 4

On page 12, in line 1, strike "FUNCTIONS" and substitute "OPERATES"; in lines 11, 13, and 27, in each instance, strike "NINE" and substitute "ELEVEN"; after line 17, insert:

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

in line 24, strike "AND" and substitute:

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

and in lines 18 and 25, strike "(III)" and "(IV)", respectively, and substitute "(IV)" and "(VI)", respectively.

On pages 12 through 13, strike in their entirety the lines beginning with line 29 on page 12 through line 10 on page 13, inclusive.

On page 13, in line 11, strike "(7)" and substitute "(B)"; in line 15, strike "ANNUALLY,"; and in line 30, strike "FOUR" and substitute "SIX".

On page 14, in line 1, strike "EACH" and substitute "A"; in the same line, strike "IS ENTITLED TO"; in line 2, strike "COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET; AND" and substitute "MAY NOT RECEIVE COMPENSATION; BUT"; in line 3, after "(2)" insert "IS ENTITLED TO"; strike beginning with "THE" in line 7 down through "(3)" in line 9; and in line 27, strike the first "AND" and substitute "THAT".

On page 15, in line 17, strike "FUNCTION" and substitute "FUNCTIONS"; strike in their

entirety lines 19 through 25, inclusive; in line 28, after "SHALL" insert ", TO THE EXTENT BUDGETED RESOURCES PERMIT"; in line 31, strike "(I)"; in the same line, strike "IDENTIFY" and substitute "ESTABLISH BY REGULATION"; strike beginning with the comma in line 32 down through the second "SERVICES" in line 35 and substitute "UNDER THIS SUBTITLE"; and in line 36, strike "(II)" and substitute "(3)".

On page 16, strike "(3)" and substitute "(4)"; strike in their entirety lines 3 and 4; in lines 6 and 7, in each instance, strike "CAPITAL AND"; strike beginning with "ASSIST" in line 8 down through "THROUGH" in line 9 and substitute "ADMINISTER OPERATING GRANT FUND PROGRAMS FOR QUALIFYING"; strike beginning with "BY" in line 13 down through "ARE" in line 14 and substitute "AT COMMUNITY HEALTH RESOURCES THAT ARE NOT FEDERALLY QUALIFIED HEALTH CENTERS, FOR INDIVIDUALS WHOSE FAMILY INCOME IS"; and in line 14, strike "LEVEL" and substitute "GUIDELINES".

On pages 16 through 18, strike in their entirety the lines beginning with line 15 on page 16 through line 5 on page 18, inclusive, and substitute:

"(8) IDENTIFY PROGRAMS AND POLICIES TO ENCOURAGE SPECIALIST PROVIDERS TO SERVE INDIVIDUALS REFERRED FROM COMMUNITY HEALTH RESOURCES;

(9) IDENTIFY PROGRAMS AND POLICIES TO ENCOURAGE HOSPITALS AND COMMUNITY HEALTH RESOURCES TO PARTNER TO INCREASE ACCESS TO HEALTH CARE SERVICES;

(10) ESTABLISH A REVERSE REFERRAL PILOT PROGRAM UNDER WHICH A HOSPITAL WILL IDENTIFY AND ASSIST PATIENTS IN ACCESSING HEALTH CARE SERVICES THROUGH A COMMUNITY HEALTH RESOURCE;

(11) WORK WITH COMMUNITY HEALTH RESOURCES, HOSPITAL SYSTEMS, AND OTHERS TO DEVELOP A UNIFIED INFORMATION AND DATA MANAGEMENT SYSTEM FOR USE BY ALL COMMUNITY HEALTH RESOURCES THAT IS INTEGRATED WITH THE LOCAL HOSPITAL SYSTEMS TO TRACK THE TREATMENT OF

INDIVIDUAL PATIENTS AND THAT PROVIDES REAL-TIME INDICATORS OF AVAILABLE RESOURCES;

(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;

(14) DEVELOP AN OUTREACH PROGRAM TO EDUCATE AND INFORM INDIVIDUALS OF THE AVAILABILITY OF COMMUNITY HEALTH RESOURCES AND ASSIST INDIVIDUALS UNDER 200% OF THE FEDERAL POVERTY LEVEL WHO DO NOT HAVE HEALTH INSURANCE TO ACCESS HEALTH CARE SERVICES THROUGH COMMUNITY HEALTH RESOURCES;

(15) STUDY SCHOOL-BASED HEALTH CENTER FUNDING AND ACCESS ISSUES INCLUDING:

(I) REIMBURSEMENT OF SCHOOL-BASED HEALTH CENTERS BY MANAGED CARE ORGANIZATIONS, INSURERS, NONPROFIT HEALTH SERVICE PLANS, AND HEALTH MAINTENANCE ORGANIZATIONS; AND

(II) METHODS TO EXPAND SCHOOL-BASED HEALTH CENTERS TO PROVIDE PRIMARY CARE SERVICES;

(16) STUDY ACCESS AND REIMBURSEMENT ISSUES REGARDING THE PROVISION OF DENTAL SERVICES;

(17) EVALUATE THE FEASIBILITY OF EXTENDING LIABILITY PROTECTION UNDER THE MARYLAND TORT CLAIMS ACT TO HEALTH CARE

PRACTITIONERS WHO CONTRACT DIRECTLY WITH A COMMUNITY HEALTH RESOURCE 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.

(B) THE REVERSE REFERRAL PILOT PROGRAM ESTABLISHED UNDER SUBSECTION (A)(10) OF THIS SECTION SHALL INCLUDE AT LEAST ONE HOSPITAL AND ONE COMMUNITY HEALTH RESOURCE FROM A RURAL, URBAN, AND SUBURBAN AREA OF THIS STATE.

(C) THE COMMISSION, IN DEVELOPING AND IMPLEMENTING THE OUTREACH PROGRAM ESTABLISHED UNDER SUBSECTION (A)(14) OF THIS SECTION, SHALL CONSULT AND COORDINATE WITH THE MOTOR VEHICLE ADMINISTRATION, WORKFORCE INVESTMENT BOARDS, LOCAL DEPARTMENTS OF SOCIAL SERVICES, LOCAL HEALTH DEPARTMENTS, MEDBANK INC., THE COMPTROLLER, THE MARYLAND HEALTH CARE COMMISSION, HOSPITALS, COMMUNITY HEALTH RESOURCES, AND PHYSICIANS TO PROVIDE OUTREACH AND CONSUMER INFORMATION.

(D) THE COMMISSION, IN CONDUCTING THE SCHOOL-BASED HEALTH CENTER STUDY REQUIRED UNDER SUBSECTION (A)(15) OF THIS SECTION, SHALL:

(1) SOLICIT INPUT FROM AND CONSULT WITH LOCAL GOVERNMENTS THAT OPERATE SCHOOL-BASED HEALTH CENTERS, THE STATE DEPARTMENT OF EDUCATION, THE MARYLAND INSURANCE COMMISSIONER, REPRESENTATIVES FROM SCHOOL-BASED HEALTH CENTERS, PROVIDERS, AND INSURERS; AND

(2) IDENTIFY THE FOLLOWING:

(I) A FEE SCHEDULE FOR INDIVIDUALS ACCESSING A SCHOOL-BASED COMMUNITY HEALTH CENTER;

(II) REIMBURSEMENT RATES TO BE PAID BY MANAGED CARE ORGANIZATIONS AND INSURERS, NONPROFIT HEALTH SERVICES PLANS, AND HEALTH MAINTENANCE ORGANIZATIONS TO THE SCHOOL-BASED COMMUNITY HEALTH CENTER;

(III) INSURANCE PAYMENTS OWED TO SCHOOL-BASED COMMUNITY HEALTH CENTERS AND HOW MUCH OF THE PAYMENTS SHOULD BE COLLECTED TO OFFSET ANY STATE SUBSIDY;

(IV) BARRIERS TO THE REIMBURSEMENT OF LICENSED HEALTH CARE PROVIDERS WHO PROVIDE SERVICES AT SCHOOL-BASED HEALTH CENTERS, INCLUDING NURSE PRACTITIONERS AND PHYSICIAN ASSISTANTS;

(V) A SYSTEM OF REGISTERING INDIVIDUALS WHO RECEIVE HEALTH CARE SERVICES FROM A SCHOOL-BASED COMMUNITY HEALTH CENTER THAT REQUIRES AN INDIVIDUAL TO PAY PREMIUMS AND SLIDING SCALE FEES; AND

(VI) SECURITY MEASURES TO BE USED BY SCHOOL-BASED COMMUNITY HEALTH CENTERS.

(E) THE COMMISSION, IN CONDUCTING THE DENTAL SERVICES STUDY REQUIRED UNDER SUBSECTION (A)(16) OF THIS SECTION, SHALL SELECT INPUT FROM AND CONSULT WITH COMMUNITY HEALTH RESOURCES THAT PROVIDE DENTAL SERVICES, MANAGED CARE ORGANIZATIONS, THE UNIVERSITY OF MARYLAND SCHOOL OF DENTISTRY, AND DENTAL SERVICE PROVIDERS.".

On pages 18 through 23, strike in their entirety the lines beginning with line 6 on page 18 through line 36 on page 23, inclusive, and substitute:

"19-2110.

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 CLINIC 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.".

AMENDMENT NO. 5

On page 23, after line 36, insert:

"SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Health - General

SUBTITLE 22. COMMUNITY HEALTH RESOURCES COMMISSION FUND.".

AMENDMENT NO. 6

On page 24, in line 1, strike "19-2112." and substitute "19-2201."; in line 7, after "FUND" insert "SEPARATELY"; strike in their entirety lines 10 and 11; in lines 12, 21, 22, 23, and 24, strike "(2)", "(5)", "(6)", "(7)", and "(8)", respectively, and substitute "(1)", "(2)", "(3)", "(4)", and "(5)", respectively; strike in their entirety lines 14 through 20, inclusive; in line 26, after "(E)" insert "(1)";

in lines 27, 28, and 31, strike "(1)", "(2)", and "(3)", respectively, and substitute "(I)", "(II)", and "(III)", respectively; in line 31, after "PROVIDE" insert "OPERATING"; and in line 33, after "RESOURCES;" insert "AND

(IV) PROVIDE FUNDING FOR THE DEVELOPMENT, SUPPORT, AND MONITORING OF A UNIFIED DATA INFORMATION SYSTEM AMONG PRIMARY AND SPECIALTY CARE PROVIDERS, HOSPITALS, AND OTHER PROVIDERS OF SERVICES TO COMMUNITY HEALTH RESOURCE MEMBERS.

(2) THE FUNDING FOR A UNIFIED DATA INFORMATION SYSTEM UNDER PARAGRAPH (1)(IV) OF THIS SUBSECTION SHALL BE LIMITED TO:

(I) $500,000 IN FISCAL YEAR 2006; AND

(II) $1,700,000 IN FISCAL YEAR 2007 AND ANNUALLY THEREAFTER.

(F) THE COMMISSION SHALL ADOPT REGULATIONS THAT:

(1) ESTABLISH THE CRITERIA FOR A COMMUNITY HEALTH RESOURCE TO QUALIFY FOR A GRANT;

(2) ESTABLISH THE PROCEDURES FOR DISBURSING GRANTS TO QUALIFYING COMMUNITY HEALTH RESOURCES;

(3) DEVELOP A FORMULA FOR DISBURSING GRANTS TO QUALIFYING COMMUNITY HEALTH RESOURCES; AND

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

(G) IN DEVELOPING REGULATIONS UNDER SUBSECTION (F)(1) OF THIS SECTION, THE COMMISSION SHALL:

(1) CONSIDER GEOGRAPHIC BALANCE; AND

(2) GIVE PRIORITY TO COMMUNITY HEALTH RESOURCES THAT:

(I) IN ADDITION TO NORMAL BUSINESS HOURS, HAVE EVENING AND WEEKEND HOURS OF OPERATION;

(II) HAVE PARTNERED WITH A HOSPITAL TO ESTABLISH A REVERSE REFERRAL PROGRAM AT THE HOSPITAL;

(III) REDUCE THE USE OF THE HOSPITAL EMERGENCY DEPARTMENT FOR NONEMERGENCY SERVICES;

(IV) ASSIST PATIENTS IN ESTABLISHING A MEDICAL HOME WITH A COMMUNITY HEALTH RESOURCE;

(V) COORDINATE AND INTEGRATE THE DELIVERY OF PRIMARY AND SPECIALTY CARE SERVICES;

(VI) PROMOTE THE INTEGRATION OF MENTAL AND SOMATIC HEALTH WITH FEDERALLY QUALIFIED HEALTH CENTERS OR OTHER SOMATIC CARE PROVIDERS;

(VII) FUND MEDICATION MANAGEMENT OR THERAPY SERVICES FOR UNINSURED INDIVIDUALS UP TO 200% OF THE FEDERAL POVERTY LEVEL WHO MEET MEDICAL NECESSITY CRITERIA BUT WHO ARE INELIGIBLE FOR THE PUBLIC MENTAL HEALTH SYSTEM;

(VIII) PROVIDE A CLINICAL HOME FOR INDIVIDUALS WHO ACCESS HOSPITAL EMERGENCY DEPARTMENTS FOR MENTAL HEALTH SERVICES; AND

(IX) SUPPORT THE IMPLEMENTATION OF EVIDENCE-BASED CLINICAL PRACTICES.

(H) GRANTS AWARDED TO A COMMUNITY HEALTH RESOURCE UNDER THIS SECTION MAY BE USED:

(1) TO PROVIDE OPERATIONAL ASSISTANCE TO A COMMUNITY HEALTH RESOURCE; AND

(2) FOR ANY OTHER PURPOSE THE COMMISSION DETERMINES IS APPROPRIATE TO ASSIST A COMMUNITY HEALTH RESOURCE.

(I) (1) THE TREASURER SHALL INVEST THE MONEY IN THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE RETAINED TO THE CREDIT OF THE FUND.

(J) THE FUND SHALL BE SUBJECT TO AN AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.".

On pages 25 through 27, strike in their entirety the lines beginning with line 1 on page 25 through line 18 on page 27, inclusive.

AMENDMENT NO. 7

On page 28, in line 8, strike "30" and substitute "15"; and in line 13, strike "IN WHICH" and substitute "OR BALTIMORE CITY WHERE".

On page 29, in line 20, strike "(1)"; in lines 22, 24, and 27, strike "(2)", "(3)", and "(4)", respectively, and substitute "(1)", "(2)", and "(3)", respectively; in line 23, strike the period and substitute a semicolon; and in line 26, strike the period and substitute "; AND".

On page 30, in line 18, strike "AT LEAST $5,000,000" and substitute "AN APPROPRIATION".

On page 31, in lines 12 and 21, in each instance, strike "IN WHICH" and substitute "OR BALTIMORE CITY WHERE".

On page 32, in line 4, strike "IN WHICH" and substitute "OR BALTIMORE CITY WHERE"; and in line 11, after "MAY" insert a comma.

On page 33, in line 8, strike "IN WHICH" and substitute "OR BALTIMORE CITY WHERE".

AMENDMENT NO. 8

On page 34, after line 30, insert:

"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.".

On page 35, in line 13, after "(B)" insert "(1)"; in line 15, strike the colon and substitute "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.";

and strike in their entirety lines 16 through 37, inclusive.

On page 36, in lines 7 and 8, in each instance, strike the bracket; in line 7, after "14-106," insert "14-106.1,"; and in line 8, strike "14-106, 14-106.1, 14-115(D),".

On pages 36 and 37, strike in their entirety the lines beginning with line 19 on page 36 through line 11 on page 37, inclusive.

On page 37, in line 12, after "(d)" insert "(1)"; in lines 15, 16, and 18, strike "(1)", "(2)", and "(3)", respectively, and substitute "(I)","(II)", and "(III)", respectively; in line 18, after "Drug" insert "ASSISTANCE"; strike beginning with "AND" in line 19 down through "SUBTITLE" in line 21 and substitute:

"(IV) SUBSIDIZE THE MARYLAND PHARMACY DISCOUNT PROGRAM UNDER § 15-124 OF THE HEALTH - GENERAL ARTICLE; AND

(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.

(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:

1. $2,000,000 IN FISCAL YEAR 2006; AND

2. IN FISCAL YEAR 2007 AND ANNUALLY THEREAFTER, THE VALUE OF THE PREMIUM TAX EXEMPTION LESS:

A. THE SUBSIDY REQUIRED UNDER THIS SUBSECTION FOR THE SENIOR PRESCRIPTION DRUG ASSISTANCE PROGRAM;

B. THE SUBSIDY REQUIRED UNDER THIS SUBSECTION FOR THE MARYLAND PHARMACY DISCOUNT PROGRAM.; AND

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

(II) THE SUBSIDY PROVIDED UNDER PARAGRAPH (1)(IV) OF THIS SUBSECTION FOR THE MARYLAND PHARMACY DISCOUNT PROGRAM SHALL BE LIMITED TO:

1. $500,000 IN FISCAL YEAR 2006; AND

2. $300,000 IN FISCAL YEAR 2007 AND ANNUALLY THEREAFTER;

(III) THE AMOUNT PROVIDED UNDER PARAGRAPH (1)(V)2 OF THIS SUBSECTION TO FUND A UNIFIED DATA INFORMATION SYSTEM SHALL BE LIMITED TO:

1. $500,000 IN FISCAL YEAR 2006; AND

2. $1,700,000 IN FISCAL YEAR 2007 AND ANNUALLY THEREAFTER.

(3) FOR ANY YEAR, THE SUBSIDY AND FUNDING REQUIRED UNDER THIS SUBSECTION BY A NONPROFIT HEALTH SERVICE PLAN SUBJECT TO THIS SECTION MAY NOT EXCEED THE VALUE OF THE NONPROFIT HEALTH SERVICE PLAN'S PREMIUM TAX EXEMPTION UNDER § 6-101(B) OF THIS ARTICLE";

and strike in their entirety lines 22 through 30, inclusive.

On pages 37 and 38, strike in their entirety the lines beginning with line 32 on page 37 through line 8 on page 38, inclusive, and substitute:

"BEGINNING IN FISCAL YEAR 2006, A NONPROFIT HEALTH SERVICE PLAN SHALL TRANSFER FUNDS IN THE AMOUNTS PROVIDED UNDER § 14-106(D)(2) OF THIS SUBTITLE TO:

(1) THE COMMUNITY HEALTH RESOURCES COMMISSION FUND ESTABLISHED UNDER § 19-2201 OF THE HEALTH - GENERAL ARTICLE TO SUPPORT THE COSTS OF THE COMMUNITY HEALTH RESOURCES COMMISSION AS PROVIDED IN § 14-106(D)(V) OF THIS SUBTITLE; AND

(2) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO SUBSIDIZE THE MARYLAND PHARMACY DISCOUNT PROGRAM UNDER § 15-124 OF THE HEALTH - GENERAL ARTICLE.".

AMENDMENT NO. 9

On page 39, strike in their entirety lines 15 through 28, inclusive, and substitute:

"15-715.

(A) THIS SECTION APPLIES TO EACH INDIVIDUAL OR GROUP HEALTH INSURANCE POLICY OR CONTRACT 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 OR CONTRACT.

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 THE INSURANCE 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.".

On pages 39 through 44, strike in their entirety the lines beginning with line 29 on page 39 through line 25 on page 44, inclusive.

On page 44, in line 26, strike "3." and substitute "5."; in line 29, strike "eight" and substitute "six"; in line 29, after "Assembly," insert "who shall be voting members of the Task Force,"; and in lines 31 and 33, in each instance, strike "four" and substitute "three".

On page 45, in line 1, strike "ex officio" and substitute "nonvoting"; and in lines 7 and 9, in each instance, strike "four" and substitute "three".

On page 46, after line 6, insert:

"SECTION 6. AND BE IT FURTHER ENACTED, That:

(a) On or before September 1, 2005, the Department of Health and Mental Hygiene shall submit to the Centers for Medicare and Medicaid Services an application for an amendment to the State's existing § 1115 demonstration waiver necessary to implement the alterations to the eligibility requirements of the Maryland Pharmacy Discount Program as provided under Section 1 of this Act.

(b) The Department shall apply for federal matching funds subject to budget neutrality requirements under § 1115 of the Social Security Act and the availability of State funds.

(c) If the application for the amendment to the State's § 1115 demonstration waiver under this section is approved, all individuals enrolled in the Maryland Pharmacy Discount Program on or before the date of approval of the waiver amendment may remain enrolled in the Program through December 31, 2005.

(d) The Department of Health and Mental Hygiene, within 5 days after receiving notice of the approval or denial of the waiver amendment application, shall forward a copy of the notice to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.";

in line 7, strike "4." and substitute "7."; strike beginning with "Notwithstanding" in line 13 down through "Fund." in line 16; in line 17, strike "5." and substitute "8."; in line 23, strike "an" and substitute "a computerized"; in line 29, after "the" insert "computerized"; in line 36, after "and" insert "other health care services that have the potential to"; and in line 37, strike "an" and substitute "a computerized".

On page 47, in line 1, strike "Directors of"; in line 2, strike "the system's" and substitute "a"; in the same line, after "design" insert "draft"; in the same line, after "and" insert "a description of how the system will"; in line 3, after "report" insert "required under paragraph (1) of this subsection"; in lines 6, 9, 10, 18, 20, 24, and 28, in each instance, after "proposed" insert "computerized"; in line 13, strike "of Directors"; in line 19, after "Board" insert "of the Maryland Health Insurance Plan"; in line 21, strike "outlined" and substitute "described"; in line 24, strike "funds" and substitute "Fund money"; in line 25, after "proposed" insert "computerized"; strike

beginning with "proceed" in line 27 down through "implementing" in line 28 and substitute "proceed to implement"; and in line 31, strike "Section" and substitute "§".

On page 48, in line 2, after "system" insert "on or before June 30, 2006"; in lines 4 and 13, strike "6."and "7.", respectively, and substitute "9."and "10.", respectively; in lines 6 and 12, in each instance, strike "Section 1" and substitute "Section 4"; in line 16, strike "to §§ 19-727, 19-2112(d)(4), and 19-2113(d)(2)" and substitute "to § 19-727"; in lines 16 and 22, in each instance, after "Article" insert ", as enacted by Section 2 of this Act,"; in line 17, strike "6-101, 6-121, and 19-104.1" and substitute "6-101 and 6-121"; in lines 17 and 23, in each instance, strike "Section 1" and substitute "Section 4"; strike beginning with "to" in line 21 down through "of" in line 22 and substitute "to § 19-727 of"; in line 22, strike "6-101, 6-121, and 19-104.1" and substitute "6-101 and 6-121"; after line 24, insert:

"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-service 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.";

in line 25, strike "8." and substitute "12."; in lines 31 and 39, in each instance, after "from" insert "the"; in line 35, after "(b)" insert "(1)"; in the same line, after "on" insert ":

(i)";

in line 39, strike the comma and substitute "; and

(ii)";

in the same line, strike "including"; and after line 41, insert:

"(2) To determine the percentage of services provided by a physician in a hospital setting, the Commissions shall use data from the Medical Care Data Base for the most recent calendar year for which there is a complete year of data.".

On page 49, after line 4, insert:

"SECTION 13. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect contingent on the approval by the Centers for Medicare and Medicaid Services of a waiver amendment applied for under Section 6 of this Act. If the waiver amendment applied for under Section 6 of this Act is denied, Section 1 of this Act, without the necessity of any further action by the General Assembly, shall be null and void and of no further force and effect.";

in line 5, strike "9." and substitute "14."; in line 6, strike "7" and substitute "13"; strike beginning with "except" in line 5 down through "and" in line 6; in lines 7 and 9, in each instance, strike "Section 2" and substitute "Section 3"; in line 7, strike "2" and substitute "5"; in line 8, strike "2007" and substitute "2010"; and in lines 9 and 11, in each instance, strike "3" and substitute "5".