

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL NO. 627

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and V. Turner” and substitute “V. Turner, Boutin, Elliott, Frank, Kach, McDonough, and Weldon”; in line 3, strike “the Health Services Cost Review Commission” and substitute “hospitals”; in line 4, strike “a financial assistance policy for hospitals” and substitute “financial assistance policies”; strike beginning with “the” in line 10 down through “patients” in line 12 and substitute “hospitals to submit to the Health Services Cost Review Commission certain debt collection policies”; strike beginning with “annually” in line 13 down through “regulations” in line 20 and substitute “to report to certain Committees of the General Assembly on or before a certain date on the details of certain hospital policies”; and in line 22, after the semicolon insert “providing that a certain nonprofit health maintenance organization is not subject to the insurance premium tax;”.

On page 2, in lines 2 and 3, strike “according to a certain schedule and”; in line 7, strike “Clinic” and substitute “Center”; in line 9, strike “a certain annual report to the Commission on or before a certain date” and substitute “certain reports to certain persons on or before certain dates”; in line 17, strike “and the Maryland Health Insurance Plan” and substitute “, in collaboration with community health resources and local health departments,”; strike beginning with the comma in line 22 down through “for” in line 23 and substitute “to provide to community health resources”; strike beginning with “requiring” in line 24 down through the semicolon in line 25; in line 45, after the semicolon insert “requiring a certain nonprofit health maintenance organization to transfer certain funds to a certain Medical Assistance Program Account and the Community Health Resources Commission Fund at certain times; requiring a certain nonprofit health maintenance organization to file a certain report with the Maryland Insurance Commissioner on or before a certain date; providing that the Maryland Medical Professional Liability Insurance Rate Stabilization Fund shall include certain funds paid by a certain nonprofit health maintenance organization;”; and in line 47, after the first “to” insert “subsidize grants to community health resources and”.

(Over)

On page 3, strike beginning with “providing” in line 3 down through the semicolon in line 8; in line 13, strike “use” and substitute “transfer”; in the same line, strike “for” and substitute “to the Major Information Technology Development Project Fund to be used for the design and development of”; in line 23, after the semicolon insert “making certain provisions of this Act retroactive; requiring the Maryland Health Care Commission and the Health Services Cost Review Commission to jointly assess certain aspects of uncompensated and undercompensated care and certain reimbursement, make recommendations on alternative methods of distributing certain costs of uncompensated and undercompensated care, and submit certain assessments and recommendations to certain Committees of the General Assembly on or before a certain date;”; strike beginning with the comma in line 33 down through “Setting” in line 34; and in line 43, after “19-303” insert “and 19-727”.

On page 4, in line 5, strike “14-504(b) and (e)” and substitute “14-106”; after line 7, insert:

“BY repealing and reenacting, with amendments,

Article - Insurance

Section 6-101

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 repealing and reenacting, with amendments,

Article - Insurance

Section 19-104.1(i)

Annotated Code of Maryland

(2002 Replacement Volume and 2004 Supplement)

(As enacted by Chapter 5 of the Acts of the General Assembly of the 2004 Special Session)”;

in line 10, strike “14-106.1” and substitute “6-121, 14-106.1,”; strike in their entirety lines 13 through 17, inclusive; and in line 35, after “12-101(a)(14)” insert “and (15)”.

AMENDMENT NO. 2

On page 5, in line 19, strike “THE COMMISSION” and substitute “EACH HOSPITAL IN THE STATE”; in line 20, strike “HOSPITALS TO PROVIDE” and substitute “PROVIDING”; in

the same line, after “TO” insert “LOW-INCOME”; and strike beginning with the colon in line 20 down through “(2)” in line 23.

AMENDMENT NO. 3

On page 6, strike in their entirety lines 3 through 10, inclusive, and substitute:

“(E) EACH HOSPITAL SHALL ESTABLISH A MECHANISM TO PROVIDE THE UNIFORM FINANCIAL ASSISTANCE APPLICATION TO PATIENTS WHO DO NOT INDICATE PUBLIC OR PRIVATE HEALTH CARE COVERAGE.

(F) (1) EACH HOSPITAL SHALL SUBMIT TO THE COMMISSION THE HOSPITAL’S POLICY ON THE COLLECTION OF DEBTS OWED BY PATIENTS WHO QUALIFY FOR REDUCED-COST CARE UNDER THE HOSPITAL’S FINANCIAL ASSISTANCE POLICY.

(2) ON OR BEFORE JULY 1, 2006, THE COMMISSION SHALL REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE AND THE SENATE FINANCE COMMITTEE ON THE DETAILS OF THE POLICIES SUBMITTED TO THE COMMISSION UNDER PARAGRAPH (1) OF THIS SUBSECTION.”.

AMENDMENT NO. 4

On pages 6 and 7, strike in their entirety the lines beginning with line 11 on page 6 through line 34 on page 7, inclusive.

AMENDMENT NO. 5

On page 9, strike in their entirety lines 3 and 4 and substitute:

“(VI) A DESCRIPTION OF GAPS IN THE AVAILABILITY OF SPECIALIST PROVIDERS TO SERVE THE UNINSURED IN THE HOSPITAL.”;

and after line 26, insert:

“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) 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.”.

AMENDMENT NO. 6

On page 10, in line 12, strike “CLINIC” and substitute “HEALTH CENTER”.

AMENDMENT NO. 7

On page 10, strike in their entirety lines 25 through 29, inclusive, and substitute:

“(A) (1) THE COMMISSION CONSISTS OF NINE MEMBERS APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.

(2) OF THE NINE MEMBERS:

(I) ONE SHALL BE A REPRESENTATIVE OF A NONPROFIT HEALTH MAINTENANCE ORGANIZATION;

(II) ONE SHALL BE A REPRESENTATIVE OF A NONPROFIT HEALTH SERVICE PLAN;

(III) FOUR SHALL BE INDIVIDUALS WHO:

1. DO NOT HAVE ANY CONNECTION WITH THE MANAGEMENT OR POLICY OF A COMMUNITY HEALTH RESOURCE, NONPROFIT HEALTH SERVICE PLAN, OR NONPROFIT HEALTH MAINTENANCE ORGANIZATION;
AND

2. HAVE A BACKGROUND OR EXPERIENCE IN HEALTH CARE; AND

(IV) THREE SHALL BE INDIVIDUALS WHO HAVE A BACKGROUND OR EXPERIENCE WITH A COMMUNITY HEALTH RESOURCE WITHIN THE PAST 5 YEARS.

(3) AT LEAST TWO OF THE NINE MEMBERS SHALL BE HEALTH CARE PROFESSIONALS LICENSED IN THE STATE.”.

On page 11, in line 6, strike “ONE” and substitute “TWO”; and in line 8, strike “TWO” and substitute “THREE”.

AMENDMENT NO. 8

On page 14, in line 22, strike “300%” and substitute “200%”.

AMENDMENT NO. 9

On page 15, in line 6, strike “AND” and substitute “RECOMMENDATIONS FOR LEGISLATION AND, IF AUTHORIZED BY STATUTE,”; and strike in their entirety lines 22 through 30, inclusive, and substitute:

“(14) USING \$5 MILLION IN FUNDS PROVIDED FROM THE CIGARETTE RESTITUTION FUND ESTABLISHED UNDER § 7-317 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, SUPPORT SMOKING CESSATION AND CANCER PREVENTION, SCREENING, DIAGNOSIS, AND TREATMENT INITIATIVES; AND”.

AMENDMENT NO. 10

On page 16, in line 31, strike “SUBJECT TO SUBSECTION (E) OF THIS SECTION,”; and strike in their entirety lines 35 and 36.

On page 17, strike in their entirety lines 1 through 6, inclusive; in lines 7 and 14, strike “(F)” and “(G)”, respectively, and substitute “(E)” and “(F)”, respectively; and in line 23, strike “CLINIC” and substitute “CENTER”.

(Over)

AMENDMENT NO. 11

On page 18, in lines 33 and 34, strike “FINANCIAL ASSISTANCE” and substitute “ISSUANCE OF REVENUE BONDS”.

AMENDMENT NO. 12

On page 19, strike beginning with “, INCLUDING” in line 16 down through “RESOURCES” in line 19; in line 19, after the semicolon insert:

“(II) MAKE RECOMMENDATIONS TO THE COMMISSION ON HOW TO REDUCE THE NEED FOR HOSPITALS TO ASSIST SPECIALISTS WHO SERVE THE UNINSURED;”;

in line 20, strike “(II)” and substitute “(III)”; in line 23, strike “CLINIC” and substitute “CENTER”; strike beginning with “ONE” in line 28 down through “GOVERNOR” in line 29 and substitute “THE MARYLAND INSURANCE COMMISSIONER, OR THE COMMISSIONER’S DESIGNEE”; in line 30, strike “APPOINTED” and substitute “NOMINATED”; and strike in their entirety lines 33 and 34 and substitute:

“1. ONE HEALTH CARE PROVIDER WHO PROVIDES SERVICES IN A SCHOOL-BASED COMMUNITY HEALTH CENTER;

2. ONE PHYSICIAN ASSISTANT;

3. ONE NURSE PRACTITIONER;

4. ONE REPRESENTATIVE WITH EXPERIENCE IN ADMINISTERING A SCHOOL-BASED COMMUNITY HEALTH CENTER;

5. ONE REPRESENTATIVE OF THE MARYLAND ASSEMBLY ON SCHOOL-BASED HEALTH; AND

6. TWO ADULT CONSUMERS WHO HAVE RECEIVED SERVICES THROUGH A SCHOOL-BASED COMMUNITY HEALTH CENTER.”.

AMENDMENT NO. 13

On page 20, strike lines 1 and 2 in their entirety; in lines 4, 16, 20, and 26, in each instance, strike “CLINICS” and substitute “CENTERS”; in line 8, after “SHALL” insert “IDENTIFY THE FOLLOWING”; in lines 9, 12, and 21, in each instance, strike “EVALUATE THE FEASIBILITY OF DEVELOPING”; in lines 11, 14, and 23, in each instance, strike “CLINIC” and substitute “CENTER”; in lines 15, 18, and 25, in each instance, strike “IDENTIFY”; and after line 26, insert:

“(4) (I) ON OR BEFORE DECEMBER 1, 2006, THE COMMITTEE SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

“(II) THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE A PLAN FOR IMPLEMENTING THE EXPANSION OF SCHOOL-BASED COMMUNITY HEALTH CENTERS TO PROVIDE SERVICES TO ALL MEMBERS OF THE COMMUNITY ON OR BEFORE DECEMBER 1, 2007.”.

AMENDMENT NO. 14

On page 21, after line 26, insert:

“(1) BEGINNING IN FISCAL YEAR 2007 AND CONTINUING EACH FISCAL YEAR THEREAFTER, AT LEAST \$15 MILLION IN GENERAL FUNDS;”;

in lines 27, 29, 33, and 34, strike “(1)”, “(2)”, “(4)”, and “(5)”, respectively, and substitute “(2)”, “(3)”, “(5)”, and “(6)”, respectively; in line 29, strike “STRATEGIC CONTRIBUTION PAYMENTS IN”; in line 31, after “ARTICLE” insert “MADE AVAILABLE AS A RESULT OF THE SETTLEMENT WITH THE LAW OFFICES OF PETER G. ANGELOS”; and strike line 32 in its entirety and substitute:

“(4) MONEY COLLECTED FROM A NONPROFIT HEALTH MAINTENANCE ORGANIZATION IN ACCORDANCE WITH § 6-121 OF THE INSURANCE ARTICLE;”.

AMENDMENT NO. 15

On page 22, in lines 1 and 2, strike “(6)” and “(7)”, respectively, and substitute “(7)” and “(8)”, respectively; strike beginning with “TOTALING” in line 9 down through the second comma in line 10; strike beginning with “AND” in line 13 down through “CARE” in line 15 and substitute:

“(5) SUBSIDIZE THE COST OF 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 LEVEL WHO ARE REFERRED THROUGH COMMUNITY HEALTH RESOURCES; AND

(6) SUPPORT SMOKING CESSATION PROGRAMS AND CANCER PREVENTION, SCREENING, DIAGNOSIS, AND TREATMENT SERVICES”;

strike beginning with “AND” in line 24 down through “CARE” in line 26 and substitute:

“(5) 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 LEVEL WHO ARE REFERRED THROUGH COMMUNITY HEALTH RESOURCES; AND

(6) ESTABLISH CRITERIA AND MECHANISMS TO SUPPORT SMOKING CESSATION PROGRAMS AND CANCER PREVENTION, SCREENING, DIAGNOSIS, AND TREATMENT SERVICES”;

in line 30, after “INDIVIDUALS” insert “WITH FAMILY INCOME”; and in the same line, strike “300%” and substitute “200%”.

AMENDMENT NO. 16

On page 23, in lines 11 and 12, strike “THE MARYLAND HEALTH INSURANCE PLAN” and substitute “COMMUNITY HEALTH RESOURCES AND LOCAL HEALTH DEPARTMENTS”; in line 19, after “A” insert “DISCOUNTED”; in lines 19 and 20, strike “AND THE MARYLAND HEALTH INSURANCE PLAN”; in line 26, strike “SPECIALTY CARE” and substitute “OFFICE-BASED SPECIALTY CARE VISITS, DIAGNOSTIC TESTING, AND LABORATORY TESTS”; strike in their entirety lines 28 through 31, inclusive, and substitute:

“(1) GENERAL FUNDS; AND

(2) MONEY COLLECTED FROM A NONPROFIT HEALTH MAINTENANCE ORGANIZATION IN ACCORDANCE WITH § 6-121 OF THE INSURANCE ARTICLE.”;
and strike in their entirety lines 32 through 34, inclusive, and substitute:

“(E) THE COMMISSION SHALL PROVIDE SUBSIDIES TO COMMUNITY HEALTH RESOURCES FOR OFFICE-BASED SPECIALTY CARE VISITS, DIAGNOSTIC TESTING, AND LABORATORY TESTS.”.

AMENDMENT NO. 17

On page 24, strike in their entirety lines 1 through 6, inclusive.

AMENDMENT NO. 18

On page 30, after line 31, 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

(Over)

(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.

6-121.

(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) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION SHALL TRANSFER FUNDS IN AN AMOUNT EQUAL TO THE PREMIUM TAX EXEMPTION VALUE OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION:

(1) AS PROVIDED IN SUBSECTION (C)(1) OF THIS SECTION, TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT ESTABLISHED UNDER § 19-104.1 OF THIS ARTICLE TO BE USED TO SUPPORT THE PROVISION OF HEALTH CARE TO ELIGIBLE INDIVIDUALS; AND

(2) AS PROVIDED IN SUBSECTION (C)(2) OF THIS SECTION, TO THE COMMUNITY HEALTH RESOURCES COMMISSION FUND ESTABLISHED UNDER § 19-2112 OF THE HEALTH - GENERAL ARTICLE TO BE USED TO INCREASE ACCESS TO HEALTH CARE THROUGH COMMUNITY HEALTH RESOURCES.

(C) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION SHALL TRANSFER:

(1) TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT:

(I) 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

(II) WITHIN 30 DAYS FOLLOWING THE END OF EACH CALENDAR QUARTER DURING FISCAL YEARS 2006 AND 2007, AN AMOUNT EQUAL TO

(Over)

THE PREMIUM TAX EXEMPTION VALUE OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION FOR THE QUARTER; AND

(2) TO THE COMMUNITY HEALTH RESOURCES COMMISSION FUND, WITHIN 30 DAYS FOLLOWING THE END OF EACH CALENDAR QUARTER DURING FISCAL YEAR 2008 AND EACH FISCAL YEAR THEREAFTER, 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. 19

On page 31, after line 6, insert:

“14-106.

(a) It is the public policy of this State that the exemption from taxation for nonprofit health service plans under § 6-101(b)(1) of this article is granted so that funds which would otherwise be collected by the State and spent for a public purpose shall be used in a like manner and amount by the nonprofit health service plan.

(b) By March 1 of each year or a deadline otherwise imposed by the Commissioner for good cause, each nonprofit health service plan shall file with the Commissioner a premium tax exemption report that:

(1) is in a form approved by the Commissioner; and

(2) demonstrates that the plan has used funds equal to the value of the premium tax exemption provided to the plan under § 6-101(b) of this article, in a manner that serves the public interest in accordance with this section.

(c) A nonprofit health service plan may satisfy the public service requirement of this section by establishing that, to the extent the value of the nonprofit health service plan's premium tax exemption under § 6-101(b) of this article exceeds the subsidy required under the Senior Prescription Drug Program established under Subtitle 5, Part II of this title, the plan has:

(1) increased access to, or the affordability of, one or more health care products or services by offering and selling health care products or services that are not required or provided for by law;

(2) provided financial or in-kind support for public health programs;

(3) employed underwriting standards in a manner that increases the availability of one or more health care services or products;

(4) employed pricing policies that enhance the affordability of health care services or products and result in a higher medical loss ratio than that established by a comparable for-profit health insurer; or

(5) served the public interest by any method or practice approved by the Commissioner.

(d) Notwithstanding subsection (c) of this section, a nonprofit health service plan that is subject to this section and issues comprehensive health care benefits in the State shall:

(1) offer health care products in the individual market;

(2) offer health care products in the small employer group market in accordance with Title 15, Subtitle 12 of this article; [and]

(3) administer and subsidize the Senior Prescription Drug Program established under Title 14, Subtitle 5, Part II of this title; AND

(Over)

(4) SUBSIDIZE GRANTS TO COMMUNITY HEALTH RESOURCES, AS PROVIDED UNDER § 14-106.1 OF THIS SUBTITLE.

(e) The subsidy required under the Senior Prescription Drug Program may not exceed the value of the nonprofit health service plan’s premium tax exemption under § 6-101(b) of this article.

(f) (1) Subject to paragraph (2) of this subsection, each report filed with the Commissioner under subsection (b) of this section is a public record.

(2) In accordance with § 10-617(d) of the State Government Article, the Commissioner shall deny inspection of any part of a report filed under subsection (b) of this section that the Commissioner determines contains confidential commercial information or confidential financial information.”;

in line 8, strike “(A)”;

in line 12, strike “\$10,000,000” and substitute “AN AMOUNT EQUAL TO THE VALUE OF THE NONPROFIT HEALTH SERVICE PLAN’S PREMIUM TAX EXEMPTION UNDER § 6-101(B) OF THIS ARTICLE, LESS THE AMOUNT NEEDED TO SUBSIDIZE THE SENIOR PRESCRIPTION DRUG PROGRAM ESTABLISHED UNDER SUBTITLE 5, PART II OF THIS TITLE”;

in line 15, after “SYSTEMS” insert “ESTABLISHED UNDER § 19-2111 OF THE HEALTH - GENERAL ARTICLE”;

and strike in their entirety lines 16 through 19, inclusive.

AMENDMENT NO. 20

On pages 31 and 32, strike in their entirety the lines beginning with line 20 on page 31 through line 23 on page 32, inclusive.

AMENDMENT NO. 21

On page 33, after line 6, insert:

“19-104.1.

(i) Notwithstanding § 2-114 of this article:

(1) the Commissioner shall deposit the revenue from the tax imposed on health

maintenance organizations and managed care organizations under § 6-102 of this article in the Fund;

(2) subject to items (3) and (4) of this subsection, the Fund shall consist of:

(i) the revenue from the tax imposed on managed care organizations and health maintenance organizations under § 6-102 of this article;

(II) THE FUNDS TRANSFERRED BY A NONPROFIT HEALTH MAINTENANCE ORGANIZATION TO THE MEDICAL ASSISTANCE PROGRAM ACCOUNT OF THE FUND IN ACCORDANCE WITH § 6-121(C) OF THIS ARTICLE;

[(ii)] (III) interest or other income earned on the moneys in the Fund; and

[(iii)] (IV) any other money from any other source accepted for the benefit of the Fund;

(3) the Commissioner shall distribute from the Fund an amount, not to exceed 0.5% of the total revenue collected in each year, sufficient to cover the costs of administering the Fund; and

(4) after distributing the amounts required under item (3) of this subsection, the revenue remaining in the Fund shall be allocated according to the following schedule:

(i) in fiscal year 2005, \$6,000,000 to the Medical Assistance Program Account;

(ii) in fiscal year 2006:

1. \$40,700,000 to the Rate Stabilization Account to subsidize agreements for calendar year 2005; and

2. \$39,300,000 to the Medical Assistance Program Account;

(Over)

(iii) in fiscal year 2007:

1. \$33,400,000 to the Rate Stabilization Account to subsidize agreements for calendar year 2006; and

2. \$46,600,000 to the Medical Assistance Program Account;

(iv) in fiscal year 2008:

1. \$26,100,000 to the Rate Stabilization Account to subsidize agreements for calendar year 2007; and

2. the remaining balance to the Medical Assistance Program Account;

(v) in fiscal year 2009:

1. \$18,800,000 to the Rate Stabilization Account to subsidize agreements for calendar year 2008; and

2. the remaining balance to the Medical Assistance Program Account; and

(vi) in fiscal year 2010 and annually thereafter, 100% to the Medical Assistance Program Account.”.

AMENDMENT NO. 22

On page 34, in line 22, strike “2008, ANY REVENUE” and substitute “2007, \$5 MILLION”; and strike beginning with “STRATEGIC” in line 23 down through “AGREEMENT” in line 24 and substitute “THE SETTLEMENT WITH THE LAW OFFICES OF PETER G. ANGELOS”.

AMENDMENT NO. 23

On page 35, strike in their entirety lines 11 through 14, inclusive, and substitute:

“(14) A HEALTH CARE PRACTITIONER WHO CONTRACTS DIRECTLY WITH THE MARYLAND COMMUNITY HEALTH RESOURCES COMMISSION ESTABLISHED UNDER § 19-2102 OF THE HEALTH - GENERAL ARTICLE, OR DIRECTLY WITH A COMMUNITY HEALTH RESOURCE, AS DEFINED IN § 19-2101 OF THE HEALTH - GENERAL ARTICLE, WHEN PROVIDING SERVICES UNDER THE CONTRACT, IF THE SERVICES ARE PROVIDED:

(I) TO AN INDIVIDUAL WHO IS ELIGIBLE TO RECEIVE BENEFITS UNDER TITLE 19, SUBTITLE 21 OF THE HEALTH - GENERAL ARTICLE; AND

(II) EITHER WITHOUT CHARGE OR AT A RATE OF REIMBURSEMENT THAT IS NO MORE THAN THE MEDICAID REIMBURSEMENT RATE FOR THE SERVICE RENDERED;

(15) A HOSPITAL WHEN PROVIDING SERVICES TO AN INDIVIDUAL WHO IS:

(I) REFERRED TO THE HOSPITAL BY A COMMUNITY HEALTH RESOURCE, AS DEFINED IN § 19-2101 OF THE HEALTH - GENERAL ARTICLE; AND

(II) ELIGIBLE TO RECEIVE BENEFITS UNDER TITLE 19, SUBTITLE 21 OF THE HEALTH - GENERAL ARTICLE; OR”;

and in line 15, strike “(15)” and substitute “(16)”.

AMENDMENT NO. 24

On page 37, strike in their entirety lines 10 through 23, inclusive, and substitute:

“SECTION 4. AND BE IT FURTHER ENACTED, That, if the Centers for Medicare and Medicaid Services approves the primary care waiver applied for under Chapter 448 of the Acts of 2003, the Department of Health and Mental Hygiene shall submit an amendment to the waiver to include office-based and outpatient specialty medical care and inpatient medical care for individuals with family income below 116% of the federal poverty guidelines who meet the eligibility

(Over)

requirements for the Maryland Primary Care Program. Notwithstanding the provisions of § 14-504 of the Insurance Article, the Department shall use as the State match for the office-based and outpatient specialty medical care and inpatient medical care available revenues from the Maryland Health Insurance Plan Fund.”.

AMENDMENT NO. 25

On page 37, in line 25, after “(1)” insert “(i)”; in line 27, strike “use” and substitute “transfer”; in line 28, strike “toward” and substitute “to the Major Information Technology Development Project Fund established under § 3-410.2 of the State Finance and Procurement Article to be used for”; and after line 29, insert:

“(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.”.

On page 38, in line 18, after “Plan” insert “:

(i)”;

in line 19, after “plan” insert “; and

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

in line 26, strike “and” and substitute:

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

and in line 27, strike “(iii)” and substitute “(iv)”.

AMENDMENT NO. 26

On page 39, after line 2, insert:

“SECTION 6. 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 1 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 1 of this Act.

SECTION 7. 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, 19-2112(d)(4), and 19-2113(d)(2) of the Health - General Article and §§ 6-101, 6-121, and 19-104.1 of the Insurance Article, as enacted by Section 1 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, 19-2112(d)(4), and 19-2113(d)(2) of the Health - General Article and §§ 6-101, 6-121, and 19-104.1 of the Insurance Article, as enacted by Section 1 of this Act, shall be null and void without the necessity of any further action by the General Assembly.

SECTION 8. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Health Care Commission and the Health Services Cost Review Commission jointly shall assess:

(1) the level and underlying causes of uncompensated and undercompensated care provided by physicians who provide at least 25% of their services in a hospital setting, as determined by reporting on the most currently available complete year of data from Medical Care Data Base; and

(2) the level of reimbursement provided by commercial payers in the State as a percentage of provider costs compared to reimbursement provided by Medicare as a percentage of provider costs.

(Over)

(b) The Commissions shall make recommendations on alternative methods of distributing the reasonable costs of uncompensated and undercompensated care provided by physicians who provide at least 25% of their services in a hospital setting, as determined by reporting on the most currently available complete year of data from Medical Care Data Base, including the feasibility of establishing an uncompensated and undercompensated care fund patterned after the Maryland Trauma Physician Services Fund.

(c) The assessments and recommendations required under subsections (a) and (b) of this section shall be submitted, in accordance with § 2-1246 of the State Government Article, to the House Health and Government Operations Committee and the Senate Finance Committee on or before January 1, 2006.”;

in line 3, strike “6.” and substitute “9.”; and in line 4, after “Act,” insert “and subject to Section 7 of this Act.”.