
By: **Senator Middleton**

Introduced and read first time: February 21, 2005

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Health and Mental Hygiene - Maryland Health Insurance**
3 **Plan - Computerized Eligibility System**

4 FOR the purpose of authorizing the Board of the Maryland Health Insurance Plan
5 (MHIP) to authorize the use of certain funding from the Maryland Health
6 Insurance Plan Fund to the Department of Health and Mental Hygiene to
7 design and develop a certain computerized eligibility system; providing for the
8 purpose of the computerized eligibility system; requiring the Department of
9 Health and Mental Hygiene to submit a certain report to the Board of MHIP
10 including certain information; prohibiting the Department of Health and Mental
11 Hygiene from implementing a certain plan until certain actions have been taken
12 by the Board of MHIP; making this Act subject to a certain contingency; and
13 generally relating to the development of a computerized eligibility system for
14 the Maryland Health Insurance Plan by the Department of Health and Mental
15 Hygiene.

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That:

18 (a) Notwithstanding the provisions of § 14-504 of the Insurance Article, in
19 fiscal year 2007 only, the Board for the Maryland Health Insurance Plan may
20 authorize the use of not more than \$15,000,000 from the Maryland Health Insurance
21 Plan Fund toward the design and development of a computerized eligibility system
22 for the Medicaid Program by the Department of Health and Mental Hygiene.

23 (b) The purpose of the computerized eligibility system is:

24 (1) to enroll eligible individuals more efficiently in the Medicaid
25 Program;

26 (2) to refer eligible individuals to the Maryland Health Insurance Plan;
27 and

28 (3) if practicable, make referrals to other available state and federally
29 sponsored programs that provide inpatient hospital coverage for uninsured
30 individuals and reduce uncompensated care at Maryland hospitals.

1 (c) (1) Before the issuance of a request for proposals for the development of
2 the computerized eligibility system under this section, the Department of Health and
3 Mental Hygiene shall submit a report to the Board of the Maryland Health Insurance
4 Plan on a plan to implement the proposed computerized eligibility system including a
5 design draft and a description of how the system will function.

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

7 (i) enumerate the specifications of any requests for proposals to
8 develop the computerized eligibility system;

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

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

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

16 (3) After reviewing the report, the Board of the Maryland Health
17 Insurance Plan may make comments and suggest changes to the proposed plan.

18 (d) The Department of Health and Mental Hygiene may not implement the
19 proposed eligibility system until the Board of the Maryland Health Insurance Plan:

20 (1) is satisfied with the functional capabilities of the proposed eligibility
21 system as described in the request for proposals;

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

25 (3) votes affirmatively for the Department of Health and Mental
26 Hygiene to implement the proposed eligibility system.

27 SECTION 2. AND BE IT FURTHER ENACTED, That Section 1 of this Act
28 shall take effect on the date of approval by the federal Centers of Medicare and
29 Medicaid Services in accordance with the terms of the waiver granted to the State
30 under § 1814(b) of the Social Security Act of the method of funding the computerized
31 eligibility system. If the method of funding the eligibility system is denied, this Act
32 shall be null and void without the necessity of any further action by the General
33 Assembly. The Department of Health and Mental Hygiene, within 5 days after
34 receiving notice of approval or denial of the method of funding, shall forward a copy of
35 this notice to the Department of Legislative Services, 90 State Circle, Annapolis,
36 Maryland 21401.

37 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of
38 this Act, this Act shall take effect October 1, 2005.

