
By: **Senator Middleton**

Introduced and read first time: February 21, 2005

Assigned to: Rules

Re-referred to: Finance, February 25, 2005

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 29, 2005

CHAPTER _____

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~~ transfer of certain funds from the
 6 Maryland Health Insurance Plan Fund to the ~~Department of Health and Mental~~
 7 ~~Hygiene~~ Major Information Technology Development Project Fund to design and
 8 develop a certain computerized eligibility system; providing that certain money
 9 transferred shall be redistributed to the Maryland Health Insurance Plan under
 10 certain circumstances; providing for the purpose of the computerized eligibility
 11 system; requiring the Department of Health and Mental Hygiene to submit a
 12 certain report to the Board of MHIP including certain information; prohibiting
 13 the Department of Health and Mental Hygiene from implementing a certain
 14 plan until certain actions have been taken by the Board of MHIP; making this
 15 Act subject to a certain contingency; and generally relating to the development
 16 of a computerized eligibility system for the Maryland Health Insurance Plan by
 17 the Department of Health and Mental Hygiene.

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 19 MARYLAND, That:

20 (a) (1) (i) Notwithstanding the provisions of § 14-504 of the Insurance
 21 Article, in fiscal year ~~2007~~ 2006 only, the Board for the Maryland Health Insurance
 22 Plan may authorize the ~~use~~ transfer of not more than \$15,000,000 from the Maryland
 23 Health Insurance Plan Fund ~~toward~~ to the Major Information Technology
 24 Development Project Fund established under § 3-410.2 of the State Finance and
 25 Procurement Article to be used for the design and development of a computerized

1 eligibility system for the Medicaid Program by the Department of Health and Mental
2 Hygiene.

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

7 ~~(b)~~ (2) The ~~purpose~~ purposes of the computerized eligibility system ~~is~~ are to:

8 ~~(i)~~ (i) ~~to~~ enroll eligible individuals more efficiently in the Medicaid
9 Program;

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

12 ~~(iii)~~ (iii) if practicable, make referrals to other available ~~state and~~
13 ~~federally-sponsored State- and federally-sponsored~~ programs that provide inpatient
14 hospital coverage for uninsured individuals and reduce uncompensated care at
15 Maryland hospitals.

16 ~~(b)~~ (b) (1) Before the issuance of a request for proposals for the
17 development of the computerized eligibility system under this section, the
18 Department of Health and Mental Hygiene shall submit a report to the Board of the
19 Maryland Health Insurance Plan on a plan to implement the proposed computerized
20 eligibility system including a design draft and a description of how the system will
21 function.

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

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

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

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

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

32 ~~(c)~~ (c) (1) After reviewing the report, the Board of the Maryland
33 Health Insurance Plan;

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

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

3 (4) (2) The Department of Health and Mental Hygiene may not implement
4 the proposed eligibility system until the Board of the Maryland Health Insurance
5 Plan:

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

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

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

13 (3) (iv) votes affirmatively for the Department of Health and Mental
14 Hygiene to implement the proposed eligibility system.

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

25 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of
26 this Act, this Act shall take effect ~~October 1, 2005~~ July 1, 2005.