

# SENATE BILL 545

J1, C4

(8lr2417)

## ENROLLED BILL

—Budget and Taxation and Finance / Appropriations and Health and Government  
Operations—

Introduced by **Chair, Budget and Taxation Committee**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Maryland Health Care Provider Rate Stabilization Account Funds - Transfer~~  
3 ~~of Funds~~ Transfers and Disbursements

4 FOR the purpose of authorizing certain funds in a certain account of the Maryland  
5 Health Care Provider Rate Stabilization Fund to be transferred to certain  
6 accounts to be used for certain purposes; limiting a certain requirement that the  
7 Legislative Auditor conduct certain audits of a certain insurance society to years  
8 in which the society received certain disbursements from the Rate Stabilization  
9 Account of the Fund; requiring the Legislative Auditor to conduct a certain  
10 follow-up audit; authorizing the Governor, by budget amendment, to transfer a  
11 certain amount in the Cigarette Restitution Fund to the Department of Health  
12 and Mental Hygiene under certain circumstances; requiring that certain  
13 revenue for a certain fiscal year be distributed to a special fund, to be used only  
14 for certain purposes; authorizing the Governor, by budget amendment, to

**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber / conference committee amendments.*



1 transfer a certain amount from the special fund to the Department of Health  
 2 and Mental Hygiene under certain circumstances; *authorizing the Department*  
 3 *of Health and Mental Hygiene to use certain funds for certain purposes;*  
 4 *requiring the Department to submit a certain report to certain committees of the*  
 5 *General Assembly;* and generally relating to ~~the use of certain funds in a certain~~  
 6 ~~account of the Maryland Health Care Provider Rate Stabilization Fund~~ *certain*  
 7 transfers and disbursements of health care funds.

8 BY repealing and reenacting, without amendments,  
 9 Article – Insurance  
 10 Section 19–804(c)  
 11 Annotated Code of Maryland  
 12 (2006 Replacement Volume and 2007 Supplement)

13 BY adding to  
 14 Article – Insurance  
 15 Section 19–804(e)  
 16 Annotated Code of Maryland  
 17 (2006 Replacement Volume and 2007 Supplement)

18 BY repealing and reenacting, with amendments,  
 19 Article – Insurance  
 20 Section 24–213  
 21 Annotated Code of Maryland  
 22 (2006 Replacement Volume and 2007 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article – Insurance**

26 19–804.

27 (c) (1) Portions of the Rate Stabilization Account that exceed the amount  
 28 necessary to pay for health care provider subsidies shall remain in the Rate  
 29 Stabilization Account to be used:

30 (i) to pay for health care provider subsidies in calendar years  
 31 2006 through 2008; and

32 (ii) after the fiscal year 2009 allocation to the Rate Stabilization  
 33 Account under § 19–803(b) of this subtitle, by the Medical Assistance Program  
 34 Account for the purposes specified under § 19–807(b) of this subtitle.

35 (2) Any disbursements from the Rate Stabilization Account to a  
 36 medical professional liability insurer that is not used to provide a rate reduction,

1 credit, or refund to a health care provider shall be returned to the State Treasurer for  
2 reversion to the Fund.

3 (3) Notwithstanding paragraph (1) of this subsection, amounts  
4 necessary to pay for health care provider subsidies under § 19-805(b)(3) of this  
5 subtitle shall remain in the Rate Stabilization Account.

6 (E) **NOTWITHSTANDING SUBSECTION (C) OF THIS SECTION OR ANY**  
7 **OTHER PROVISION OF LAW, IN FISCAL YEAR 2009, \$83,275,000 OF THE BALANCE**  
8 **REMAINING IN THE RATE STABILIZATION ACCOUNT AT THE END OF FISCAL**  
9 **YEAR 2008 SHALL BE TRANSFERRED AS FOLLOWS:**

10 (1) **\$7,000,000 TO THE MEDICAL ASSISTANCE PROGRAM**  
11 **ACCOUNT, TO BE USED BY THE SECRETARY TO INCREASE FEE-FOR-SERVICE**  
12 **PROVIDER RATES TO DENTISTS IN FISCAL YEAR 2009;**

13 (2) ~~\$14,275,000~~ **\$3,000,000 TO THE HEALTH CARE COVERAGE**  
14 **FUND ESTABLISHED UNDER TITLE 15, SUBTITLE 7 OF THE HEALTH - GENERAL**  
15 **ARTICLE, TO BE USED FOR ALLOWABLE EXPENSES IN FISCAL YEAR 2009; AND**

16 (3) ~~\$62,000,000~~ **\$73,275,000 TO THE HEALTH CARE COVERAGE**  
17 **FUND ESTABLISHED UNDER TITLE 15, SUBTITLE 7 OF THE HEALTH - GENERAL**  
18 **ARTICLE, TO BE USED FOR ALLOWABLE EXPENSES IN FISCAL YEAR 2010 AND**  
19 **FISCAL YEAR 2011.**

20 24-213.

21 (a) The Legislative Auditor [annually] shall conduct a fiscal and compliance  
22 audit of the accounts and transactions of the Society FOR EACH YEAR IN WHICH THE  
23 SOCIETY RECEIVES A DISBURSEMENT FROM THE RATE STABILIZATION  
24 ACCOUNT UNDER § 19-805 OF THIS ARTICLE OTHER THAN A DISBURSEMENT  
25 MADE UNDER § 19-805(B)(3) OF THIS ARTICLE.

26 (B) WITHIN ONE YEAR OF THE DATE OF AN AUDIT REPORT REQUIRED  
27 UNDER SUBSECTION (A) OF THIS SECTION, THE LEGISLATIVE AUDITOR SHALL  
28 CONDUCT A FOLLOW-UP AUDIT TO DETERMINE THE STATUS OF ANY AUDIT  
29 RECOMMENDATIONS.

30 [(b)](C) The Society shall pay the cost of each audit.

31 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding §  
32 7-317(g)(1) of the State Finance and Procurement Article or any other provision of  
33 law, the Governor may, by budget amendment, transfer up to ~~\$1,000,000~~ \$2,000,000 of  
34 the funds in the Cigarette Restitution Fund established under § 7-317 of the State  
35 Finance and Procurement Article to the Department of Health and Mental Hygiene

1 Program MQ0103 Medical Care Programs Administration, if revenues for fiscal year  
 2 2009 attained by the Cigarette Restitution Fund exceed the \$170,780,000 in total net  
 3 sources of revenue noted in Appendix M of the Governor's Budget Books.

4 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding § 9–120  
 5 of the State Government Article or any other provision of law, after cumulative  
 6 distributions for fiscal year 2008 to the General Fund under § 9–120(b)(1)(ii) of the  
 7 State Government Article total \$497,111,000, \$13,000,000 of the remaining revenue  
 8 that would otherwise be paid to the General Fund under § 9–120(b)(1)(ii) of the State  
 9 Government Article shall be distributed to a special fund, to be used only as provided  
 10 in this Section. The Governor may, by budget amendment, transfer up to \$13,000,000  
 11 of the money in the special fund to the Department of Health and Mental Hygiene  
 12 Program MQ0103 Medical Programs Administration.

13 SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding §  
 14 19–310.1 of the Health – General Article or any other provision of law, the Department  
 15 of Health and Mental Hygiene may use \$8,500,000 of General Funds and \$8,500,000 of  
 16 Federal Funds currently allocated for nursing home reimbursements in the fiscal year  
 17 2009 budget to fund an increase in utilization of long-term care services resulting from  
 18 any changes in the level of care used to determine medical assistance eligibility. On or  
 19 before November 1, 2008, the Department of Health and Mental Hygiene shall submit a  
 20 report to the Senate Finance Committee, the Senate Budget and Taxation Committee,  
 21 the House Health and Government Operations Committee, and the House  
 22 Appropriations Committee concerning the changes made in the level of care, the number  
 23 of additional individuals eligible for care as a result of the changes, and the fiscal  
 24 implications of the change.

25 SECTION ~~2~~ ~~3~~ 4. 5. AND BE IT FURTHER ENACTED, That this Act shall  
 26 take effect July 1, 2008.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.