

SENATE BILL 545

J1, C4

8lr2417
CF HB 1284

By: **Chair, Budget and Taxation Committee**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation and Finance

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 12, 2008

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
15 transfer a certain amount from the special fund to the Department of Health
16 and Mental Hygiene under certain circumstances; and generally relating to ~~the~~
17 use of certain funds in a certain account of the Maryland Health Care Provider
18 Rate Stabilization Fund certain transfers and disbursements of health care
19 funds.

20 BY repealing and reenacting, without amendments,
21 Article – Insurance
22 Section 19–804(c)
23 Annotated Code of Maryland
24 (2006 Replacement Volume and 2007 Supplement)

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.



1 BY adding to
2 Article – Insurance
3 Section 19–804(e)
4 Annotated Code of Maryland
5 (2006 Replacement Volume and 2007 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Insurance
8 Section 24–213
9 Annotated Code of Maryland
10 (2006 Replacement Volume and 2007 Supplement)

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

13 **Article – Insurance**

14 19–804.

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

18 (i) to pay for health care provider subsidies in calendar years
19 2006 through 2008; and

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

23 (2) Any disbursements from the Rate Stabilization Account to a
24 medical professional liability insurer that is not used to provide a rate reduction,
25 credit, or refund to a health care provider shall be returned to the State Treasurer for
26 reversion to the Fund.

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

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

34 **(1) \$7,000,000 TO THE MEDICAL ASSISTANCE PROGRAM**
35 **ACCOUNT, TO BE USED BY THE SECRETARY TO INCREASE FEE-FOR-SERVICE**
36 **PROVIDER RATES TO DENTISTS IN FISCAL YEAR 2009;**

1 (2) ~~\$14,275,000~~ \$3,000,000 TO THE HEALTH CARE COVERAGE
 2 FUND ESTABLISHED UNDER TITLE 15, SUBTITLE 7 OF THE HEALTH – GENERAL
 3 ARTICLE, TO BE USED FOR ALLOWABLE EXPENSES IN FISCAL YEAR 2009; AND

4 (3) ~~\$62,000,000~~ \$73,275,000 TO THE HEALTH CARE COVERAGE
 5 FUND ESTABLISHED UNDER TITLE 15, SUBTITLE 7 OF THE HEALTH – GENERAL
 6 ARTICLE, TO BE USED FOR ALLOWABLE EXPENSES IN FISCAL YEAR 2010 AND
 7 FISCAL YEAR 2011.

8 24-213.

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

14 (b) WITHIN ONE YEAR OF THE DATE OF AN AUDIT REPORT REQUIRED
 15 UNDER SUBSECTION (A) OF THIS SECTION, THE LEGISLATIVE AUDITOR SHALL
 16 CONDUCT A FOLLOW-UP AUDIT TO DETERMINE THE STATUS OF ANY AUDIT
 17 RECOMMENDATIONS.

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

19 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding §
 20 7-317(g)(1) of the State Finance and Procurement Article or any other provision of
 21 law, the Governor may, by budget amendment, transfer up to \$1,000,000 of the funds
 22 in the Cigarette Restitution Fund established under § 7-317 of the State Finance and
 23 Procurement Article to the Department of Health and Mental Hygiene Program
 24 MQ0103 Medical Care Programs Administration, if revenues for fiscal year 2009
 25 attained by the Cigarette Restitution Fund exceed the \$170,780,000 in total net
 26 sources of revenue noted in Appendix M of the Governor's Budget Books.

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

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

