

SENATE BILL 667

C3

4lr1479

By: **Senators Pinsky, Raskin, Ferguson, and Montgomery**

Introduced and read first time: January 31, 2014

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Benefit Exchange – Universal Health Care Program –**
3 **Plan for Establishment**

4 FOR the purpose of requiring the Board of Trustees of the Maryland Health Benefit
5 Exchange to develop a plan for the State to establish, on or before a certain
6 date, a universal health care program to provide health benefits to all residents
7 of the State through a single-payer system; requiring the health care program
8 to be designed to meet certain specifications; requiring the plan to include
9 certain information and certain recommendations; authorizing the Board and
10 the Department of Health and Mental Hygiene to apply for certain waivers;
11 requiring the Board, on or before certain dates, to submit to the Governor and
12 certain legislative committees a certain report and a certain plan to establish a
13 certain health care program; and generally relating to the development of a plan
14 to establish a universal health care program in the State.

15 BY adding to

16 Article – Insurance

17 Section 31–120

18 Annotated Code of Maryland

19 (2011 Replacement Volume and 2013 Supplement)

20 Preamble

21 WHEREAS, Section 1332 of the federal Patient Protection and Affordable Care
22 Act (ACA) allows states to request waivers of key provisions of health reform,
23 including the requirement to set up a health benefit exchange and provisions relating
24 to premium credits and reduced cost sharing; and

25 WHEREAS, Under § 1332, a waiver for state innovation may be granted if it
26 covers at least as many people as would be covered under the ACA and provides

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 coverage that is at least as comprehensive and affordable, at no greater cost to the
2 federal government; and

3 WHEREAS, If an approved waiver does not provide individuals or small
4 businesses with premium tax credits or cost-sharing reductions, a state may receive
5 the federal funding it would have received for these purposes to help implement its
6 approved plan; and

7 WHEREAS, The state of Vermont has enacted legislation to establish Green
8 Mountain Care, a single-payer health care system, and has declared its intention to
9 pursue an innovation waiver to implement the system; and

10 WHEREAS, Vermont has established a health benefit exchange and intends
11 that it will become the foundation for its single-payer health care system; and

12 WHEREAS, Maryland likewise should seek to establish a health care program
13 to contain costs and to provide comprehensive, affordable, and high-quality publicly
14 financed health care coverage for all Maryland residents in a seamless manner
15 regardless of income, assets, health status, or availability of other health coverage;
16 now, therefore,

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

19 **Article – Insurance**

20 **31-120.**

21 **(A) THE BOARD SHALL DEVELOP A PLAN FOR THE STATE TO**
22 **ESTABLISH, ON OR BEFORE JANUARY 1, 2017, A UNIVERSAL HEALTH CARE**
23 **PROGRAM TO PROVIDE HEALTH BENEFITS TO ALL RESIDENTS OF THE STATE**
24 **THROUGH A SINGLE-PAYER SYSTEM.**

25 **(B) THE HEALTH CARE PROGRAM SHALL BE DESIGNED TO:**

26 **(1) PROVIDE COMPREHENSIVE, AFFORDABLE, AND**
27 **HIGH-QUALITY PUBLICLY FINANCED HEALTH CARE COVERAGE FOR ALL**
28 **RESIDENTS OF THE STATE IN A SEAMLESS AND EQUITABLE MANNER,**
29 **REGARDLESS OF INCOME, ASSETS, HEALTH STATUS, OR AVAILABILITY OF**
30 **OTHER HEALTH COVERAGE;**

31 **(2) INCLUDE A BENEFIT PACKAGE COVERING PRIMARY CARE,**
32 **PREVENTIVE CARE, CHRONIC CARE, ACUTE EPISODIC CARE, AND HOSPITAL**
33 **SERVICES;**

1 **(3) TO THE MAXIMUM EXTENT ALLOWABLE UNDER FEDERAL LAW**
2 **AND WAIVERS FROM FEDERAL LAW:**

3 **(I) ENSURE THAT ALL FEDERAL PAYMENTS PROVIDED IN**
4 **THE STATE FOR HEALTH SERVICES ARE PAID DIRECTLY TO THE HEALTH CARE**
5 **PROGRAM; AND**

6 **(II) ASSUME RESPONSIBILITY FOR THE BENEFITS AND**
7 **SERVICES CURRENTLY PAID FOR AND PROVIDED UNDER STATE AND FEDERAL**
8 **PROGRAMS, INCLUDING THE EXCHANGE, MEDICAID, AND MEDICARE;**

9 **(4) INCLUDE HEALTH CARE COVERAGE PROVIDED:**

10 **(I) BY EMPLOYERS THAT CHOOSE TO PARTICIPATE; AND**

11 **(II) TO STATE, COUNTY, AND MUNICIPAL EMPLOYEES; AND**

12 **(5) CONTAIN COSTS BY:**

13 **(I) PROVIDING INCENTIVES TO RESIDENTS TO AVOID**
14 **PREVENTABLE HEALTH CONDITIONS, PROMOTE HEALTH, AND AVOID**
15 **UNNECESSARY EMERGENCY ROOM VISITS;**

16 **(II) ESTABLISHING INNOVATIVE PAYMENT MECHANISMS TO**
17 **HEALTH CARE PROFESSIONALS, SUCH AS GLOBAL PAYMENTS; AND**

18 **(III) REDUCING UNNECESSARY ADMINISTRATIVE**
19 **EXPENDITURES.**

20 **(C) THE PLAN SHALL INCLUDE:**

21 **(1) A TIMELINE FOR THE ESTABLISHMENT OF THE HEALTH CARE**
22 **PROGRAM;**

23 **(2) PLANS FOR TRANSITION TO THE HEALTH CARE PROGRAM,**
24 **INCLUDING:**

25 **(I) SUSPENDING OPERATIONS OF THE EXCHANGE TO**
26 **ENABLE THE STATE TO RECEIVE THE APPROPRIATE FEDERAL FUND**
27 **CONTRIBUTION IN LIEU OF THE FEDERAL PREMIUM TAX CREDITS,**
28 **COST-SHARING SUBSIDIES, AND SMALL BUSINESS TAX CREDITS PROVIDED IN**
29 **THE AFFORDABLE CARE ACT; AND**

1 **(II) HOW TO FULLY INTEGRATE OR ALIGN MEDICAID,**
2 **MEDICARE, PRIVATE INSURANCE, AND STATE, COUNTY, AND MUNICIPAL**
3 **EMPLOYEES INTO OR WITH THE HEALTH CARE PROGRAM;**

4 **(3) A PROPOSED OPERATING STRUCTURE FOR THE HEALTH CARE**
5 **PROGRAM;**

6 **(4) COST PROJECTIONS FOR THE HEALTH CARE PROGRAM AND**
7 **RECOMMENDATIONS FOR THE AMOUNTS AND MECHANISMS NECESSARY TO**
8 **FINANCE THE HEALTH CARE PROGRAM;**

9 **(5) (I) A PROPOSED HEALTH BENEFIT PACKAGE TO BE**
10 **OFFERED IN THE HEALTH CARE PROGRAM; AND**

11 **(II) AN ANALYSIS OF WHETHER THE HEALTH CARE**
12 **PROGRAM SHOULD INCLUDE DENTAL, VISION, HEARING, AND LONG-TERM CARE**
13 **BENEFITS; AND**

14 **(6) RECOMMENDATIONS FOR LEGISLATION REQUIRED TO**
15 **ESTABLISH THE HEALTH CARE PROGRAM.**

16 **(D) THE BOARD AND THE DEPARTMENT OF HEALTH AND MENTAL**
17 **HYGIENE MAY APPLY FOR WAIVERS OF REQUIREMENTS OF HEALTH CARE**
18 **PROGRAMS UNDER FEDERAL LAW THAT ARE NECESSARY TO ESTABLISH THE**
19 **HEALTH CARE PROGRAM, INCLUDING:**

20 **(1) WAIVERS OF REQUIREMENTS OF HEALTH CARE PROGRAMS**
21 **ESTABLISHED UNDER TITLES XVIII AND XIX OF THE SOCIAL SECURITY ACT,**
22 **AS AMENDED; AND**

23 **(2) A WAIVER FOR STATE INNOVATION UNDER § 1332 OF THE**
24 **AFFORDABLE CARE ACT.**

25 **(E) THE BOARD SHALL SUBMIT TO THE GOVERNOR AND, IN**
26 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE**
27 **SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT**
28 **OPERATIONS COMMITTEE:**

29 **(1) ON OR BEFORE OCTOBER 1, 2014, AN INTERIM PROGRESS**
30 **REPORT ON THE DEVELOPMENT OF A PLAN TO ESTABLISH THE HEALTH CARE**
31 **PROGRAM; AND**

1 **(2) ON OR BEFORE OCTOBER 1, 2015, THE PLAN TO ESTABLISH**
2 **THE HEALTH CARE PROGRAM.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 June 1, 2014.