

# HOUSE BILL 1347

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By: **Delegates Kipke, Adams, Angel, Bromwell, Cullison, Hayes, Hill, McDonough, Miele, Morgan, Oaks, and Szeliga**

Introduced and read first time: February 12, 2016

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program – Managed Care Organizations –**  
3 **Disenrollment**

4 FOR the purpose of authorizing a Maryland Medical Assistance Program recipient, under  
5 certain circumstances, to disenroll from a managed care organization to maintain  
6 continuity of care with a pharmacy provider; requiring the Department of Health  
7 and Mental Hygiene to provide certain notification to the affected managed care  
8 organization of an enrollee's intention to disenroll under certain provisions of this  
9 Act; making a conforming change; and generally relating to disenrollment from  
10 managed care organizations under the Maryland Medical Assistance Program.

11 BY repealing and reenacting, without amendments,  
12 Article – Health – General  
13 Section 15–101(a), (b), (e), (h), and (i)  
14 Annotated Code of Maryland  
15 (2015 Replacement Volume)

16 BY repealing and reenacting, with amendments,  
17 Article – Health – General  
18 Section 15–103(b)(23)(vi) and (f)(6)  
19 Annotated Code of Maryland  
20 (2015 Replacement Volume)

21 BY adding to  
22 Article – Health – General  
23 Section 15–103(f)(6) and (7)  
24 Annotated Code of Maryland  
25 (2015 Replacement Volume)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Health – General**

4 15–101.

5 (a) In this title the following words have the meanings indicated.

6 (b) “Enrollee” means a program recipient who is enrolled in a managed care  
7 organization.

8 (e) “Managed care organization” means:

9 (1) A certified health maintenance organization that is authorized to  
10 receive medical assistance prepaid capitation payments; or

11 (2) A corporation that:

12 (i) Is a managed care system that is authorized to receive medical  
13 assistance prepaid capitation payments;

14 (ii) Enrolls only program recipients or individuals or families served  
15 under the Maryland Children’s Health Program; and

16 (iii) Is subject to the requirements of § 15–102.4 of this subtitle.

17 (h) “Program” means the Maryland Medical Assistance Program.

18 (i) “Program recipient” means an individual who receives benefits under the  
19 Program.

20 15–103.

21 (b) (23) (vi) Subject to subsection [(f)(4) and (5)] **(F)(4), (5), AND (6)** of this  
22 section, an enrollee may disenroll from a managed care organization:

23 1. Without cause in the month following the anniversary  
24 date of the enrollee’s enrollment; and

25 2. For cause, at any time as determined by the Secretary.

26 **(f) (6) A PROGRAM RECIPIENT MAY DISENROLL FROM A MANAGED CARE**  
27 **ORGANIZATION TO MAINTAIN CONTINUITY OF CARE WITH A PHARMACY PROVIDER**  
28 **IF:**

1                   **(I) THE CONTRACT BETWEEN THE PHARMACY PROVIDER AND**  
2 **THE MANAGED CARE ORGANIZATION OR CONTRACTED GROUP OF THE MANAGED**  
3 **CARE ORGANIZATION TERMINATES BECAUSE:**

4                   **1. THE MANAGED CARE ORGANIZATION OR**  
5 **CONTRACTED GROUP OF THE MANAGED CARE ORGANIZATION TERMINATES THE**  
6 **PROVIDER'S CONTRACT FOR A REASON OTHER THAN QUALITY OF CARE OR THE**  
7 **PROVIDER'S FAILURE TO COMPLY WITH CONTRACTUAL REQUIREMENTS RELATED**  
8 **TO QUALITY ASSURANCE ACTIVITIES;**

9                   **2. A. THE MANAGED CARE ORGANIZATION OR**  
10 **CONTRACTED GROUP OF THE MANAGED CARE ORGANIZATION REDUCES THE**  
11 **PHARMACY PROVIDER'S CAPITATED OR APPLICABLE FEE FOR SERVICES RATES;**

12                   **B. THE REDUCTION IN RATES IS GREATER THAN THE**  
13 **ACTUAL CHANGE IN RATES OR CAPITATION PAID TO THE MANAGED CARE**  
14 **ORGANIZATION BY THE DEPARTMENT; AND**

15                   **C. THE PROVIDER AND THE MANAGED CARE**  
16 **ORGANIZATION OR CONTRACTED GROUP OF THE MANAGED CARE ORGANIZATION**  
17 **ARE UNABLE TO NEGOTIATE A MUTUALLY ACCEPTABLE RATE; OR**

18                   **3. THE PROVIDER CONTRACT BETWEEN THE PROVIDER**  
19 **AND THE MANAGED CARE ORGANIZATION IS TERMINATED BECAUSE THE MANAGED**  
20 **CARE ORGANIZATION IS ACQUIRED BY ANOTHER ENTITY; AND**

21                   **(II) 1. THE PROGRAM RECIPIENT DESIRES TO CONTINUE TO**  
22 **RECEIVE CARE FROM THE PHARMACY PROVIDER;**

23                   **2. THE PROVIDER CONTRACTS WITH AT LEAST ONE**  
24 **OTHER MANAGED CARE ORGANIZATION OR CONTRACTED GROUP OF A MANAGED**  
25 **CARE ORGANIZATION; AND**

26                   **3. THE ENROLLEE NOTIFIES THE DEPARTMENT OR THE**  
27 **DEPARTMENT'S DESIGNEE OF THE ENROLLEE'S INTENTION TO DISENROLL WITHIN**  
28 **90 DAYS AFTER THE CONTRACT TERMINATION.**

29                   **(7) SUBJECT TO THE APPROVAL OF THE DEPARTMENT, A PROGRAM**  
30 **RECIPIENT MAY DISENROLL FROM A MANAGED CARE ORGANIZATION TO MAINTAIN**  
31 **CONTINUITY OF CARE WITH A PHARMACY PROVIDER IF:**

32                   **(I) THE PROVIDER IS NO LONGER PART OF THE MANAGED CARE**  
33 **ORGANIZATION'S PHARMACY PROVIDER NETWORK;**

1                   **(II) THE TERMINATION OF THE CONTRACT BETWEEN THE**  
2 **PROVIDER AND THE MANAGED CARE ORGANIZATION IS NOT FOR A CIRCUMSTANCE**  
3 **LISTED IN PARAGRAPH (6)(I) OF THIS SUBSECTION;**

4                   **(III) THE PROGRAM RECIPIENT DESIRES TO CONTINUE TO**  
5 **RECEIVE CARE FROM THE PROVIDER; AND**

6                   **(IV) THE PROVIDER CONTRACTS WITH AT LEAST ONE OTHER**  
7 **MANAGED CARE ORGANIZATION OR CONTRACTED GROUP OF A MANAGED CARE**  
8 **ORGANIZATION.**

9                   **[(6)] (8)**       The Department shall provide timely notification to the affected  
10 managed care organization of an enrollee's intention to disenroll under the provisions of  
11 paragraph (5), **(6), OR (7)** of this subsection.

12                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 2016.