A BILL ENTITLED

AN ACT concerning

Maryland Universal Health Care Plan

FOR the purpose of establishing the Maryland Universal Health Care Plan;
specifying the purposes of the Plan; establishing the State Board of Governors of
the Maryland Universal Health Care Plan; specifying the membership of the
Board of Governors and the terms, duties, and powers of the members of the
Board of Governors; authorizing the Board of Governors to adopt certain
regulations; requiring the Board of Governors to appoint an executive director;
specifying eligibility requirements for membership in the Plan; requiring the
Board of Governors to establish the comprehensive package of benefits to be
provided under the Plan; authorizing certain insurers, nonprofit health service
plans, and health maintenance organizations to offer benefits that do not
duplicate benefits covered under the Plan; requiring the Plan to reimburse
hospitals and certain health care providers in accordance with certain rates and
fee schedules; prohibiting certain health care providers from charging a rate for
a covered service that exceeds the rate established by the Board of Governors;
providing that this Act does not affect existing or future obligations of employers
to provide certain benefits to retirees who no longer reside in the State;
establishing the Maryland Universal Health Care Trust Fund; specifying the
purposes, contents, and uses of the Fund; defining certain terms; specifying the
initial terms of the appointed members of the Board of Governors; requiring the
Department of Health and Mental Hygiene to apply to the Secretary of Health
and Human Services for certain waivers from certain federal requirements on or
before a certain date; requiring the Board of Governors to seek certain waivers
and the extension of a certain waiver on or before a certain date; requiring the
Board of Governors to submit a certain report to the Governor and the General
Assembly on or before a certain date; providing that negotiated health insurance
contributions made by employers on behalf of employees who are working in the
State temporarily but who reside outside the State may not be abridged by this
Act; providing for the effective dates of this Act; and generally relating to the
Maryland Universal Health Care Plan.

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

Article - Health - General

TITLE 25. MARYLAND UNIVERSAL HEALTH CARE PLAN.

SUBTITLE 1. DEFINITIONS.

25-101. IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

25-102. "BOARD OF GOVERNORS" MEANS THE STATE BOARD OF GOVERNORS OF THE MARYLAND UNIVERSAL HEALTH CARE PLAN.

25-103. "HEALTH CARE PROVIDER" MEANS:

25-104. (1) AN INDIVIDUAL LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE SERVICES;

25-105. 25-106. (2) A HEALTH CARE FACILITY LICENSED BY THE DEPARTMENT.

25-107. "PLAN" MEANS THE MARYLAND UNIVERSAL HEALTH CARE PLAN.

25-108. "PLAN MEMBER" MEANS ANY INDIVIDUAL WHO QUALIFIES FOR HEALTH CARE BENEFITS UNDER THE PLAN IN ACCORDANCE WITH § 25-401 OF THIS TITLE.

25-109. "RESIDENT" MEANS AN INDIVIDUAL WHO IS DOMICILED IN THE STATE.

SUBTITLE 2. MARYLAND UNIVERSAL HEALTH CARE PLAN.

25-201. THERE IS A MARYLAND UNIVERSAL HEALTH CARE PLAN.

25-202. THE PURPOSES OF THE PLAN ARE TO:

25-204. (1) PROVIDE UNIVERSAL HEALTH CARE COVERAGE FOR ALL RESIDENTS OF THE STATE;
(2) PROVIDE ACCESS TO AND CHOICE OF HEALTH CARE PROVIDERS FOR ALL RESIDENTS OF THE STATE;

(3) ESTABLISH CONTROLS TO CONTAIN HEALTH CARE COSTS;

(4) PROVIDE A COMPREHENSIVE AND COORDINATED SYSTEM OF HEALTH CARE SERVICES FOR ALL RESIDENTS OF THE STATE; AND

(5) PROVIDE PUBLIC FINANCING OF HEALTH CARE SERVICES FOR ALL RESIDENTS OF THE STATE.

SUBTITLE 3. STATE BOARD OF GOVERNORS OF THE MARYLAND UNIVERSAL HEALTH CARE PLAN.

25-301.

(A) THERE IS A STATE BOARD OF GOVERNORS OF THE MARYLAND UNIVERSAL HEALTH CARE PLAN.

(B) THE BOARD OF GOVERNORS CONSISTS OF THE FOLLOWING 23 MEMBERS:

(1) 17 MEMBERS APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE, AS FOLLOWS:

(I) FIVE REPRESENTATIVES OF STATEWIDE OR REGIONAL HEALTH CARE CONSUMER ADVOCACY ORGANIZATIONS WHO HAVE BEEN INVOLVED IN ACTIVITIES RELATED TO HEALTH CARE CONSUMER ADVOCACY, INCLUDING ISSUES OF INTEREST TO LOW- AND MODERATE-INCOME INDIVIDUALS;

(II) THREE REPRESENTATIVES OF LABOR ORGANIZATIONS IN THE STATE;

(III) THREE REPRESENTATIVES OF BUSINESS AND INDUSTRY IN THE STATE;

(IV) TWO REPRESENTATIVES OF HOSPITALS IN THE STATE;

(V) TWO REPRESENTATIVES OF PHYSICIANS; AND

(VI) TWO REPRESENTATIVES OF LICENSED NONPHYSICIAN HEALTH CARE PROVIDERS; AND

(2) SIX EX OFFICIO MEMBERS, AS FOLLOWS:

(I) THE EXECUTIVE DIRECTOR OF THE HEALTH SERVICES COST REVIEW COMMISSION, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

(II) THE EXECUTIVE DIRECTOR OF THE MARYLAND HEALTH CARE COMMISSION, OR THE EXECUTIVE DIRECTOR'S DESIGNEE;
(III) THE SECRETARY OF HEALTH AND MENTAL HYGIENE, OR THE SECRETARY'S DESIGNEE;

(IV) THE MARYLAND INSURANCE COMMISSIONER, OR THE COMMISSIONER'S DESIGNEE;

(V) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT, OR THE SECRETARY'S DESIGNEE; AND

(VI) THE SECRETARY OF AGING, OR THE SECRETARY'S DESIGNEE.

(D) (1) THE TERM OF AN APPOINTED MEMBER IS 5 YEARS.

(2) THE TERMS OF APPOINTED MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR APPOINTED MEMBERS OF THE BOARD OF GOVERNORS ON OCTOBER 1, 2006.

(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(5) (I) IF A VACANCY OCCURS, THE GOVERNOR PROMPTLY SHALL APPOINT A SUCCESSOR TO SERVE UNTIL THE TERM EXPIRES.

(II) THE SUCCESSOR MAY BE REAPPOINTED FOR A FULL TERM.

(6) AN APPOINTED MEMBER MAY NOT SERVE MORE THAN TWO TERMS.

25-302.

FROM AMONG THE MEMBERS OF THE BOARD OF GOVERNORS, THE GOVERNOR SHALL APPOINT A CHAIR AND A VICE CHAIR.

25-303.

IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS TITLE, THE BOARD OF GOVERNORS SHALL:

(1) ADMINISTER, IMPLEMENT, AND MONITOR THE OPERATION OF THE PLAN;

(2) ESTABLISH A GLOBAL BUDGET FOR THE TOTAL AMOUNT THAT MAY BE EXPENDED FOR THE PROVISION OF HEALTH CARE UNDER THE PLAN EACH YEAR;

(3) DEVELOP AND RECOMMEND TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY FUNDING SOURCES FOR THE PLAN IN ADDITION TO THOSE PROVIDED FOR IN § 25-601 OF THIS TITLE;
(4) Set reimbursement rates for nonhospital outpatient services, which are not regulated by the Health Services Cost Review Commission, in accordance with § 25-501 of this title;

(5) Administer the Maryland Universal Health Care Trust Fund established under § 25-601 of this title;

(6) Establish reasonable and effective means of cost containment, quality assurance, and promotion of access to services;

(7) Establish a system to promote continuity of care, including the use of case managers for plan members with multiple health care problems;

(8) Establish an indemnity plan;

(9) Establish a prescription drug formulary;

(10) (I) Administer payments for the provision of covered services to participating health care providers; or

(II) If more cost effective, contract with a third party for the administration of payments for the provision of covered services to participating health care providers;

(11) Study and evaluate the operation of the plan;

(12) Report annually to the governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on its activities and recommend any changes to improve access to quality health care and to more effectively control the cost of health care services provided under the plan;

(13) Disseminate information on the plan to health care providers and the public;

(14) Conduct any investigations and require the submission of any information, documents, and records that it considers necessary to carry out its duties under this title;

(15) Create a program for the resolution of complaints brought by plan members or health care providers regarding coverage under the plan or the operation of the plan;

(16) No later than 5 years after the effective date of the plan, develop a proposal for the provision and funding of long-term care coverage by the plan;

(17) Develop a plan to coordinate its activities with the activities of the Maryland Health Care Commission and the Health
SERVICES COST REVIEW COMMISSION TO ENSURE APPROPRIATE PLANNING FOR THE
ADEQUATE DELIVERY AND DISTRIBUTION OF HEALTH CARE SERVICES
THROUGHOUT THE STATE; AND

CONDUCT ANY OTHER ACTIVITIES NECESSARY AND APPROPRIATE
TO CARRY OUT THIS TITLE.

THE BOARD OF GOVERNORS MAY ADOPT REGULATIONS NECESSARY TO CARRY
OUT THIS TITLE.

THE BOARD OF GOVERNORS SHALL MAINTAIN THE CONFIDENTIALITY OF ALL
DATA AND OTHER INFORMATION COLLECTED IN CARRYING OUT ITS
RESPONSIBILITIES IN ACCORDANCE WITH THE PROVISIONS OF TITLE 4, SUBTITLE 3
OF THIS ARTICLE.

THE BOARD OF GOVERNORS SHALL APPOINT AN EXECUTIVE DIRECTOR WHO
SHALL BE THE CHIEF ADMINISTRATIVE OFFICER OF THE PLAN.

SUBTITLE 4. ELIGIBILITY FOR THE PLAN; BENEFITS COVERED BY THE PLAN.

EACH INDIVIDUAL WHO IS A RESIDENT OF THE STATE IS A MEMBER OF
THE PLAN AND IS ELIGIBLE TO RECEIVE BENEFITS FOR SERVICES COVERED UNDER
THE PLAN.

PREEXISTING MEDICAL CONDITIONS MAY NOT BE USED TO DETERMINE
THE ELIGIBILITY OF AN INDIVIDUAL TO RECEIVE BENEFITS FOR SERVICES COVERED
UNDER THE PLAN.

A PARTICIPATING HEALTH CARE PROVIDER MAY NOT REFUSE TO FURNISH
SERVICES TO A PLAN MEMBER ON THE BASIS OF RACE, COLOR, INCOME LEVEL,
NATIONAL ORIGIN, RELIGION, SEX, HEALTH CONDITION, AGE, LANGUAGE, SEXUAL
ORIENTATION, FAMILY STATUS, OR GEOGRAPHY.

THE BOARD OF GOVERNORS SHALL ESTABLISH THE COMPREHENSIVE
PACKAGE OF BENEFITS TO BE PROVIDED UNDER THE PLAN, INCLUDING MENTAL
HEALTH SERVICES, HOME- AND COMMUNITY-BASED SERVICES, DENTAL SERVICES,
AND PRESCRIPTION DRUGS AND DEVICES.
7 UNOFFICIAL COPY OF HOUSE BILL 1152

1 25-403.

2 COINSURANCE, DEDUCTIBLES, AND COPAYMENTS MAY NOT BE REQUIRED FOR
3 SERVICES COVERED UNDER THE PLAN.

4 25-404.

5 (A) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH
6 MAINTENANCE ORGANIZATION THAT IS ISSUED A CERTIFICATE OF AUTHORITY BY
7 THE MARYLAND INSURANCE COMMISSIONER MAY OFFER BENEFITS THAT DO NOT
8 DUPLICATE THE SERVICES COVERED BY THE PLAN.

9 (B) THIS TITLE DOES NOT PROHIBIT AN INSURER, NONPROFIT HEALTH
10 SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION FROM OFFERING
11 BENEFITS TO OR FOR INDIVIDUALS AND THEIR DEPENDENTS WHO ARE EMPLOYED
12 OR SELF-EMPLOYED IN THE STATE BUT WHO ARE NOT RESIDENTS OF THE STATE.

13 25-405.

14 (A) A PLAN MEMBER MAY CHOOSE ANY PARTICIPATING HEALTH CARE
15 PROVIDER PRACTICING ON AN INDEPENDENT BASIS, IN A SMALL GROUP, OR IN A
16 PRACTICE THAT PROVIDES SERVICES ON A CAPITATED BASIS.

17 (B) A PLAN MEMBER WHO ENROLLS IN A PRACTICE THAT PROVIDES SERVICES
18 ON A CAPITATED BASIS IS SUBJECT TO THE REQUIREMENTS OF THE PLAN
19 REGARDING DISENROLLMENT, CHOICE OF PROVIDER, AND AVAILABILITY OF
20 BENEFITS OUTSIDE THE PRACTICE.

21 SUBTITLE 5. PAYMENT FOR SERVICES.

22 25-501.

23 (A) FOR INPATIENT HOSPITAL CARE, THE PLAN SHALL REIMBURSE THE
24 HOSPITAL IN ACCORDANCE WITH THE RATE SET FOR THE HOSPITAL BY THE HEALTH
25 SERVICES COST REVIEW COMMISSION UNDER TITLE 19, SUBTITLE 2 OF THIS
26 ARTICLE.

27 (B) FOR NONHOSPITAL OUTPATIENT HEALTH CARE SERVICES, THE PLAN
28 SHALL REIMBURSE HEALTH CARE PROVIDERS IN ACCORDANCE WITH A FEE
29 SCHEDULE ESTABLISHED BY THE BOARD OF GOVERNORS.

30 (C) A MULTISPECIALTY ORGANIZATION OF HEALTH CARE PROVIDERS,
31 INCLUDING A HEALTH MAINTENANCE ORGANIZATION, MAY ELECT TO BE
32 REIMBURSED ON A CAPITATED BASIS INSTEAD OF ON A FEE-FOR-SERVICE BASIS.

33 (D) A PARTICIPATING HEALTH CARE PROVIDER SHALL PROVIDE THE PLAN
34 WITH ANY NECESSARY INFORMATION AND PERMIT INSPECTION OF THE HEALTH
35 CARE PROVIDER'S RECORDS.
THE RATES ESTABLISHED UNDER THIS SECTION SHALL BE CONSIDERED PAYMENT IN FULL FOR A COVERED SERVICE.

A HEALTH CARE PROVIDER MAY NOT CHARGE A RATE FOR A COVERED SERVICE THAT EXCEEDS THE RATE ESTABLISHED BY THE BOARD OF GOVERNORS.

THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION DO NOT APPLY TO HEALTH CARE SERVICES PROVIDED OUTSIDE THE STATE OR TO INDIVIDUALS WHO ARE NOT PLAN MEMBERS.

THE BOARD OF GOVERNORS SHALL DEVELOP A POLICY TO PROVIDE COVERAGE UNDER THE PLAN TO:

INDIVIDUALS EMPLOYED IN THE STATE WHO ARE NOT RESIDENTS OF THE STATE; AND

RESIDENTS OF THE STATE WHO ARE EMPLOYED OUTSIDE THE STATE OR WHO TEMPORARILY ARE NOT IN THE STATE.

THIS TITLE DOES NOT AFFECT ANY EXISTING OR FUTURE OBLIGATIONS OF EMPLOYERS TO PROVIDE SUPPLEMENTARY HEALTH BENEFITS TO RETIREES WHO NO LONGER RESIDE IN THE STATE.

IN THIS SECTION, "FUND" MEANS THE MARYLAND UNIVERSAL HEALTH CARE TRUST FUND ESTABLISHED UNDER THIS SECTION.

THERE IS A MARYLAND UNIVERSAL HEALTH CARE TRUST FUND.

THE CHAIR OF THE BOARD OF GOVERNORS OR A DESIGNEE OF THE CHAIR SHALL ADMINISTER THE FUND.

THE FUND CONSISTS OF:

MONEY ATTRIBUTABLE TO STATE AND FEDERAL FINANCIAL PARTICIPATION IN THE MARYLAND MEDICAL ASSISTANCE PROGRAM, EXCEPT MONEY EXPENDED FOR NURSING HOME SERVICES, AND MEDICARE, TRANSFERRED TO THE FUND;

MONEY FROM OTHER FEDERAL PROGRAMS THAT PROVIDE FEDERAL FUNDS FOR THE PAYMENT OF HEALTH CARE SERVICES THAT ARE PROVIDED UNDER THIS TITLE;
(III) STATE AND LOCAL GOVERNMENT FUNDS APPROPRIATED FOR HEALTH CARE SERVICES AND BENEFITS THAT ARE PROVIDED UNDER THIS TITLE;

(IV) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND; AND

(V) INVESTMENT EARNINGS OF THE FUND.

(2) PAYMENTS TO THE FUND UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION SHALL EQUAL THE MONEY APPROPRIATED TO STATE AND LOCAL GOVERNMENTS FOR THE PROVISION OF THOSE HEALTH CARE SERVICES AND BENEFITS IN FISCAL YEAR 2008 INCREASED EACH YEAR BY THE AVERAGE ANNUAL PERCENTAGE GROWTH IN THE GROSS STATE PERSONAL INCOME FOR THE 3 PRECEDING YEARS.

(E) (1) THE FUND MAY BE USED ONLY:

(I) TO PAY FOR THE PROVISION OF SERVICES COVERED BY THE PLAN; AND

(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FOR ANY OTHER PURPOSE APPROVED BY THE BOARD OF GOVERNORS.

(2) (I) AT LEAST ONE-HALF OF 1% OF THE MONEY IN THE FUND SHALL BE USED FOR HEALTH PROMOTION AND PRIMARY CARE PREVENTIVE PROGRAMS.

(II) AT LEAST ONE-FOURTH OF 1% OF THE MONEY IN THE FUND SHALL BE ALLOCATED TO EDUCATING AND TRAINING WORKERS IN THE HEALTH CARE FIELD AND RETRAINING WORKERS WHO EXPERIENCE JOB LOSS OR DISLOCATION DUE TO IMPLEMENTATION OF THE PLAN.

(F) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO THE FUND.

(3) ANY UNSPENT MONEY IN THE FUND MAY NOT BE TRANSFERRED OR REVERT TO THE GENERAL FUND OF THE STATE, BUT SHALL REMAIN IN THE FUND TO BE USED FOR THE PURPOSES SPECIFIED IN THIS TITLE.

(G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.
SUBTITLE 7. SHORT TITLE.

THIS TITLE MAY BE CITED AS THE MARYLAND UNIVERSAL HEALTH CARE PLAN.

SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial appointed members of the State Board of Governors of the Maryland Universal Health Care Plan shall expire as follows:

(1) Two members in 2011;

(2) Five members in 2012;

(3) Five members in 2013; and

(4) Five members in 2014.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before October 1, 2007, the Department of Health and Mental Hygiene shall apply to the Secretary of Health and Human Services for all waivers of requirements of health care programs established under Titles XVIII and XIX of the Social Security Act, as amended, that are necessary to enable the State to deposit federal payments under those programs in the State Treasury to the credit of the Maryland Universal Health Care Trust Fund.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before October 1, 2007, the State Board of Governors of the Maryland Universal Health Care Plan shall seek all waivers from the provisions of the Employment Retirement Income Security Act, as amended, necessary to ensure total participation of all residents of the State in the Plan.

SECTION 5. AND BE IT FURTHER ENACTED, That, on or before October 1, 2007, the State Board of Governors of the Maryland Universal Health Care Plan shall seek an extension of the provisions of Medicare Waiver of the State of Maryland under Section 1814B of the Social Security Act to permit Medicare to share equally in the costs of bad debt and charity care provided to State residents in the inpatient sector.

SECTION 6. AND BE IT FURTHER ENACTED, That, on or before October 1, 2007, the State Board of Governors of the Maryland Universal Health Care Plan shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on any changes to the laws of the State and units of State government necessary to most effectively carry out the provisions of this Act.

SECTION 7. AND BE IT FURTHER ENACTED, That negotiated health insurance contributions made by employers on behalf of employees who are working in the State temporarily but who reside outside the State may not be abridged by this Act.
SECTION 8. AND BE IT FURTHER ENACTED, That Title 25, Subtitles 2, 4, 5, and 6 of the Health - General Article, as enacted by Section 1 of this Act, shall take effect July 1, 2008.

SECTION 9. AND BE IT FURTHER ENACTED, That, except as otherwise provided in Section 8 of this Act, this Act shall take effect October 1, 2006.