

CHAPTER 589

(Senate Bill 545)

AN ACT concerning

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

FOR the purpose of authorizing certain funds in a certain account of the Maryland Health Care Provider Rate Stabilization Fund to be transferred to certain accounts to be used for certain purposes; limiting a certain requirement that the Legislative Auditor conduct certain audits of a certain insurance society to years in which the society received certain disbursements from the Rate Stabilization Account of the Fund; requiring the Legislative Auditor to conduct a certain follow-up audit; authorizing the Governor, by budget amendment, to transfer a certain amount in the Cigarette Restitution Fund to the Department of Health and Mental Hygiene under certain circumstances; requiring that certain revenue for a certain fiscal year be distributed to a special fund, to be used only for certain purposes; authorizing the Governor, by budget amendment, to transfer a certain amount from the special fund to the Department of Health and Mental Hygiene under certain circumstances; authorizing the Department of Health and Mental Hygiene to use certain funds for certain purposes; requiring the Department to submit a certain report to certain committees of the General Assembly; and generally relating to ~~the use of certain funds in a certain account of the Maryland Health Care Provider Rate Stabilization Fund~~ certain transfers and disbursements of health care funds.

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

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

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

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

Article – Insurance

19–804.

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

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

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

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

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

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

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

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

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

24-213.

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

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

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

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

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

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

of additional individuals eligible for care as a result of the changes, and the fiscal implications of the change.

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

Approved by the Governor, May 22, 2008.