

**Department of Legislative Services**  
Maryland General Assembly  
2008 Session

**FISCAL AND POLICY NOTE**

House Bill 1454 (Delegate Nathan-Pulliam, *et al.*)  
Health and Government Operations

---

**Maryland Medical Assistance Program - Hospitals - Managed Care  
Organizations - Access and Health Care Disparities Elimination**

---

This bill specifies that the Department of Health and Mental Hygiene must require academic hospitals receiving State funds in any form, and the hospital's affiliated specialty care networks, to contract to provide hospital and specialty care to Medicaid enrollees of specified managed care organizations, on request of the MCO.

To qualify under the bill, MCOs must • have a membership that is at least 65% African American; • agree to pay a minimum of the current Medicaid fee-for-service rates; and • agree to pay the appropriate Health Services Cost Review Commission rates.

---

**Fiscal Summary**

**State Effect:** Medicaid expenditures (50% general funds, 50% federal funds) could increase by a potentially significant amount due to increased utilization of hospital and specialty services under the bill. Any such increase cannot be reliably estimated at this time. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

---

## Analysis

**Background:** Medicaid MCOs may contract with any provider or facility if the provider or facility agrees to the terms of the contract. All payors of hospital services must pay the appropriate hospital rates set by HSCRC.

According to DHMH, one MCO believes that its hospital and specialty network should be expanded to provide better access to services for its enrollees. MCO has approached an academic medical center about providing hospital and specialty care, but the proposed terms of their contract have not been accepted.

---

### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2008  
ncs/ljm

---

Analysis by: Jennifer B. Chasse

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510