

Maryland Health Progress Act of 2013

Senate Bill 274/House Bill 228

This bill constitutes the last step in the O'Malley-Brown Administration's three-year effort to use to their fullest effect the tools of the Affordable Care Act to enhance Marylanders access to quality and affordable health care. The bill puts in place the remaining policies necessary for the State's health benefit exchange to begin operations on January 1, 2014, and it expands Medicaid eligibility to ensure coverage for the State's most financially vulnerable. Together with a companion bill which conforms our state law to the remaining federal consumer protections and insurance market reforms to go into effect next year, the Maryland Health Progress Act of 2013 will ensure that Marylanders reap the full benefits of health care reform and effective implementation of the Affordable Care Act.

In brief, the bill: 1) expands Medicaid to 133% of federal poverty; 2) establishes a dedicated funding stream for the Maryland Health Benefit Exchange (MHBE or Exchange) from the existing premium tax on health insurers; 3) provides for the migration of enrollees of the Maryland Health Insurance Plan (MHIP) into the Exchange in a manner that eases their transition and mitigates the potential impact on rates; 4) allows for the development of a State reinsurance program to counteract potential short-term pressures on rates; 5) puts in place policies to promote continuity of care for those switching insurance policies and moving in and out of Medicaid and commercial insurance; and 6) makes other changes necessary for the MHBE to achieve final certification as a state-based exchange.

Components of Senate Bill 274/House Bill 228

Medicaid Expansion

- Adults eligible up to 133% of FPL;
- Individuals in foster care eligible up to age 26;
- 108,000 Marylanders newly covered in 2014.

Dedicated funding stream to finance MHBE

- Annual appropriation sufficient to fund MHBE operations from existing premium tax paid by health insurers;
- Unspent appropriation shall revert to general fund;
- MHBE to create trust account for premiums collected on behalf of carriers; and
- Payment to Exchange deemed payment to carrier.

Gradual transition of MHIP enrollees into MHBE

- Closed to new enrollees Jan 1, 2014;
- Transition of 20,000 existing enrollees beginning January 1, 2014 until no later than January 1, 2020.

Flexibility for State reinsurance wrap-around program

- Assessment which funds MHIP may be used beginning CY'15 to fund State reinsurance program, which will mitigate rate impact of high-risk enrollees in individual market inside and outside Exchange;

- MHIP and MHBE Boards to determine timing and amount of funds to be used for reinsurance program out of funds remaining after MHIP operations are funded and claims paid for enrollees who remain in the Plan.

Wrongful Insurance Act

- Fraudulent act to function or hold oneself out as a SHOP or Individual Exchange navigator without appropriate license or certification

Continuity of care for Marylanders transitioning between plans and Medicaid

- Purpose is to promote policies for Marylanders which minimize harmful disruptions in health care;
- Guidelines for circumstances under which carriers and MCOs shall, beginning in 2015:
 - Honor prior authorizations for treatment; and
 - Allow nonparticipating providers to continue course of treatment.
- Exchange, MIA, and DHMH shall collect data and submit report and recommendations for any further legislation in 2017.

Shop Exchange rules for employer premium contributions

- No employer is required to make premium contributions;
- Employers choosing to do so may pay a certain percentage or fixed dollar amount of a reference plan premium in a manner which does not discriminate against any employee.

Consolidated Services Center employee functions

- Call center will support eligibility, enrollment, and other services of the Exchange;
- Employees assisting in QHP enrollment will be required to have SHOP and Individual Exchange Enrollment permits; and
- Employees will be subject to same training, regulatory oversight, and limitations with respect to the markets outside the Exchange as SHOP and Individual Exchange navigators.

Applicability of Insurance Article

- Exchange not within scope of third-party administrator regulation;
- Carrier delegation of premium collections and other activities to Exchange does not alter responsibility to comply with consumer protections set forth in Insurance Article.

Plan Certification Appeals Process

- Carrier recourse upon denial, suspension and revocation of plan certification; and
- MHBE authority to enforce plan certification requirements.

MCOs/Carriers permitted to offer plans in Exchange only

- Requirement that carriers offer silver and gold plans outside Exchange applicable only to carriers offering plans outside the Exchange
- MCOs/Carriers participating in Medicaid and commercial market within Exchange will promote continuity of care