

Preamble

WHEREAS, There are substantial numbers of indigent and near indigent individuals in Maryland who cannot afford health insurance who do not receive adequate health care except in the case of an emergency; and

WHEREAS, Experience in Maryland and other states has shown that managed care plans substantially reduce the cost of medical care by coordinating care and by reducing unnecessary emergency room visits and hospitalizations; and

WHEREAS, More than 110,000 Maryland Medical Assistance recipients, or approximately 25% of the total Medical Assistance population, have voluntarily enrolled in health maintenance organizations; and

WHEREAS, In the event that Congress establishes a maximum amount of federal Medical Assistance funding, Maryland must have additional mechanisms in place to control costs; and

WHEREAS, Placing individuals in managed care plans and capitating payments to those plans will enable the State to meet spending caps which may be imposed by the federal government; and

WHEREAS, Savings derived from managing the care of the current Medical Assistance population may be used to expand health care coverage to individuals who cannot afford the cost of health insurance; and

WHEREAS, The Secretary of Health and Mental Hygiene would have sufficient flexibility to create an innovative managed care Medical Assistance program so as to obtain the greatest amount of savings while assuring quality of care and access to services; and

WHEREAS, The General Assembly recognizes the successes of the all-payor rate-setting system in the areas of cost containment, financial access, and equity and intends that the new system will support and complement the existing rate-setting system; and

WHEREAS, The Secretary of Health and Mental Hygiene intends to apply for a research and demonstration waiver under Section 1115 of the Social Security Act in order to establish an initiative to expand Medical Assistance benefits to individuals who cannot afford the cost of health insurance; and

~~WHEREAS, The cost of expanding eligibility under a Section 1115 waiver will not exceed savings obtained as the result of placing Medical Assistance recipients in managed care plans; now, therefore,~~

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