

BY repealing

Chapter 500 of the Acts of the General Assembly of 1995
Section 2, 3, and 4

BY repealing and reenacting, with amendments,

Chapter 500 of the Acts of the General Assembly of 1995
Section 5

Preamble

WHEREAS, The Secretary of Health and Mental Hygiene has conducted an extensive and lengthy public process in which members of a broad-based steering committee, legislators, consumers, providers, and others have had an opportunity to significantly influence the development of a proposal for mandatory enrollment of Medicaid recipients in managed care organizations; and

WHEREAS, After taking into consideration the opinions and comments of legislators, the steering committee, and members of the public, the Secretary has prepared a proposal to enroll Medicaid recipients in managed care organizations which he has submitted to the General Assembly for review and approval; and

WHEREAS, The General Assembly wishes to express its approval of the Secretary's proposal *and, in accordance with this Act, help enable the Department to obtain a waiver from the Health Care Financing Administration* by enacting this legislation which will authorize the Secretary to implement said proposal; and

WHEREAS, More than 120,000 Maryland Medical Assistance recipients or more than 25% of the total Medical Assistance population have voluntarily enrolled in health maintenance organizations; and

WHEREAS, The General Assembly recognizes that federal spending caps for Medicaid are likely at some time in the future and that State tax revenues cannot support the high growth rates of the Medicaid Program in the past few years; and

WHEREAS, Placing Medicaid recipients in managed care organizations and capitating payments to those organizations will enable the State to meet spending caps which may be imposed by the federal government and to slow the rapid growth of the Medicaid Program; and

WHEREAS, The Secretary should have sufficient flexibility to modify his innovative managed care program as necessary during implementation 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; now, therefore,

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