

an amount that equals the difference between the payment received by the centers from managed care organizations and the reasonable cost to the centers in providing these services to enrollees who are Maryland Medical Assistance Program recipients; providing for the reduction and termination of the supplemental payment; requiring the Department to conduct a review of payments to the centers from managed care organizations and, under certain circumstances, to set aside a certain amount from the capitation payment to the managed care organizations; requiring a certain report; and providing for the termination of this Act.

BY adding to

Article - Health - General

Section 15-103(e)

Annotated Code of Maryland

(1994 Replacement Volume and 1997 Supplement)

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

Article - Health - General

15-103.

(E) (1) AT LEAST QUARTERLY, THE DEPARTMENT SHALL PAY TO A FEDERALLY QUALIFIED HEALTH CENTER THE DIFFERENCE BETWEEN THE PAYMENT RECEIVED BY THE CENTER FROM A MANAGED CARE ORGANIZATION FOR SERVICES PROVIDED TO ENROLLEES OF THE MANAGED CARE ORGANIZATION AND THE REASONABLE COST TO THE CENTER IN PROVIDING THOSE SERVICES.

(2) THE REASONABLE COST TO A FEDERALLY QUALIFIED HEALTH CENTER IN PROVIDING SERVICES TO ENROLLEES SHALL BE DETERMINED IN ACCORDANCE WITH § 1902(A)(13)(C)(I) OF THE SOCIAL SECURITY ACT, AS AMENDED BY THE BALANCED BUDGET ACT OF 1997, AND ANY APPLICABLE REGULATIONS.

(3) (I) AT THE REQUEST OF A FEDERALLY QUALIFIED HEALTH CENTER, THE DEPARTMENT SHALL REVIEW THE PAYMENTS MADE TO THE CENTER BY A MEDICAID MANAGED CARE ORGANIZATION THAT HAS A CONTRACTUAL ARRANGEMENT WITH THE CENTER TO DETERMINE THE DIFFERENCE BETWEEN THE PAYMENTS MADE TO THE CENTER AND THE REASONABLE COST TO THE CENTER IN PROVIDING SERVICES TO ENROLLEES OF THE MANAGED CARE ORGANIZATION.

(II) IF A MANAGED CARE ORGANIZATION PAYMENT TO A CENTER IS LESS THAN THE CENTER'S REASONABLE COST, THE DEPARTMENT SHALL SET ASIDE A PORTION OF THE CAPITATION PAYMENT TO THE MANAGED CARE ORGANIZATION FOR A SUPPLEMENTAL PAYMENT TO THE CENTER, IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPHS (1) AND (2) OF THIS SUBSECTION.

(4) (4) IN CARRYING OUT THE PAYMENT REQUIREMENTS OF THIS SUBSECTION, THE DEPARTMENT: