

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 918

(Senator Forehand)

Finance

Health and Government Operations

Long-Term Care Insurance - Prohibited Acts - Genetic Tests, Genetic Information, or Genetic Services

This bill prohibits a carrier or an insurance producer of a carrier that provides long-term care insurance from requesting or requiring a genetic test or using specified genetic information to (1) deny or limit long-term care insurance coverage; or (2) charge a different rate for the same long-term care insurance coverage. This prohibition does not apply if the use of genetic information is based on sound actuarial principles.

Fiscal Summary

State Effect: None. Review of existing form filings for compliance could be handled with existing budgeted resources. The Maryland Insurance Administration (MIA) advises there would be no additional form or rate filings under the bill.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Insurers, nonprofit health service plans, and HMOs (carriers) may not use a genetic test or genetic information, or a request for genetic services, to reject, deny, limit, cancel, refuse to renew, increase the rates of, or affect the terms or conditions of a health insurance policy or contract. Carriers are also prohibited from requiring a genetic test or genetic information to determine whether or not to issue or renew health insurance. These prohibitions do not apply to long-term care insurance, life insurance, annuity contracts, or disability insurance.

Maryland taxpayers may claim a one-time State income tax credit of up to \$500 of the eligible premiums paid for long-term care insurance for coverage of the individual or the individual's spouse, parent, stepparent, child, or stepchild if that insured was not covered before July 1, 2000.

Background: Long-term care insurance covers expenses for long-term care that are not usually covered by traditional health insurance or Medicare, such as nursing home stays, home health care, and adult day care.

In 2004, as part of a review of Alzheimer's care, the Office of the Attorney General recommended that the General Assembly extend the prohibition against genetic discrimination in the provision of health insurance to include long-term care insurance.

As of May 2006, nine states in some way restrict discrimination based on genetic information in long-term care insurance. Four of the nine states (Maine, Massachusetts, Montana, and New Mexico) require actuarial justification.

Additional Comments: According to MIA, to the extent that the bill requires carriers to issue long-term care insurance to individuals already experiencing symptoms of a genetic disease, costs for long-term care insurance in the State could increase.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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