

Department of Legislative Services
Maryland General Assembly
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FISCAL AND POLICY NOTE
First Reader

House Bill 865 (Delegate Hill, *et al.*)
Health and Government Operations

Health Insurance - Motor Vehicle Modifications for Permanently Wheelchair
Dependent Individuals - Coverage

This bill requires an insurer, nonprofit health service plan, or health maintenance organization (collectively known as carriers) that provides hospital, medical, or surgical benefits to provide specified coverage for motor vehicle modifications for permanently wheelchair dependent individuals. A carrier must provide coverage one time for adaptive equipment for or modifications to the motor vehicle of an individual (1) who is permanently wheelchair dependent; (2) who is eligible and able to drive based on a comprehensive evaluation by a driver rehabilitation specialist; and (3) whose motor vehicle requires adaptive equipment or modification to allow the individual to enter, exit, or safely operate the motor vehicle.

The bill applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2016.

Fiscal Summary

State Effect: Minimal special fund revenue increase for the Maryland Insurance Administration (MIA) from the \$125 rate and form filing fee in FY 2017. Review of filings can likely be handled with existing MIA resources. No impact on the State Employee and Retiree Health and Welfare Benefits Program (State plan) as discussed below.

Local Effect: Potential minimal increase in health insurance costs for local governments that purchase fully insured plans.

Small Business Effect: Potential minimal. The bill generally does not apply to health insurance sold to small businesses as discussed further below.

Analysis

Bill Summary: Coverage required under the bill may be subject to the annual deductibles or coinsurance requirements imposed by a carrier for similar coverages under the same policy or contract. The annual deductibles or coinsurance requirements imposed may not be greater than the annual deductibles or coinsurance requirements imposed by the carrier for similar coverages.

The bill does not apply to a policy or contract issued or delivered by an entity subject to the bill that provides the essential health benefits (EHBs) required under the federal Patient Protection and Affordable Care Act (ACA). Thus, the bill applies only to grandfathered health benefit plans in the individual market and all large group contracts. It does not apply to qualified health plans inside the Maryland Health Benefit Exchange (MHBE), nongrandfathered individual health benefit plans, or nongrandfathered health benefit plans offered to small employers.

Current Law: Under Maryland law, there are 49 mandated health insurance benefits that certain carriers must provide to their enrollees. The federal ACA requires nongrandfathered health plans to cover 10 EHBs, which include items and services in the following categories: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services, including behavioral health treatment; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services, including dental and vision care.

Under § 31-116 of the Maryland Insurance Article, EHBs must be included in the State benchmark plan and, *notwithstanding any other benefits mandated by State law*, must be the benefits required in (1) all individual health benefit plans and health benefit plans offered to small employers (except for grandfathered health plans) outside MHBE and (2) all qualified health plans offered in MHBE.

Background: Individuals with disabilities may require vehicle modifications to accommodate their driving needs. Adaptive equipment and modifications include steering adaptations, brake/accelerator systems, hand controls, lifts, locks, back-up alarms, rain-sensing windshield wipers, and driver-positioning devices.

The Maryland State Department of Education's Division of Rehabilitation Services' Workforce and Technology Center (WTC) provides driver assessment services to evaluate individuals with disabilities to determine their ability to drive motor vehicles. WTC also determines what adaptive equipment and modifications a vehicle needs to allow individuals with disabilities to enter, exit, and safely operate their vehicle and provides training on how

to use it. The Maryland Department of Disabilities' Maryland Technology Assistance Program provides low-interest loans to buy equipment to help individuals with disabilities live, work, and learn more independently. Loans may be used for adapted vehicles.

State Fiscal Effect: The Department of Budget and Management advises that the bill does not apply to the State plan's self-insured medical plans, and the one fully insured medical plan under the State plan currently has guaranteed rates for five years.

Small Business Effect: Health insurance mandates generally do not apply to policies sold to small businesses. However, if the Maryland Insurance Commissioner elects to include the mandate in the State benchmark plan, the mandate would apply to policies sold to small businesses through MHBE.

Additional Comments: The federal Employee Retirement Income Security Act preempts states' ability to require private employers to offer insurance coverage and exempts the coverage offered by self-insured entities from state insurance regulation. Thus, insured health benefit plans (those purchased directly from a carrier) are subject to Maryland's mandated benefits law, while other (self-insured) employment-based plans are not.

In 2015, a total of 2,899,428 lives (younger than age 65) were covered through commercial health benefit plans in Maryland. However, only 36% were covered under insured health benefit plans subject to State regulation. The remaining 64% were covered through group self-insured plans or the Federal Employees Health Benefit Plan, which are not regulated by MIA and are, for the most part, not subject to Maryland law.

Additional Information

Prior Introductions: None.

Cross File: SB 835 (Senator Guzzone) - Finance.

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

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Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510