

Department of Legislative Services  
Maryland General Assembly  
2018 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 858

(Senator Rosapepe, *et al.*)

Finance

Health and Government Operations

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**Health Insurance – Access to Local Health Departments**

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This bill requires insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) that use a provider panel to ensure that all enrollees have access to local health departments (LHDs) and covered services provided through LHDs, including behavioral health care services, to the extent that LHDs are willing to participate on a carrier's provider panel. A carrier's annual access plan filed with the Insurance Commissioner must contain the carrier's efforts to include LHDs in its network. A carrier that is a group model health maintenance organization is exempt from these requirements. **The bill takes effect January 1, 2019, and applies to all policies and contracts issued, delivered, or renewed in the State on or after that date.**

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**Fiscal Summary**

**State Effect:** Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) from the \$125 rate and form filing fee in FY 2019 only. Any additional MIA workload can be absorbed within existing budgeted resources.

**Local Effect:** LHD revenues increase by a potentially significant amount beginning in FY 2019, as discussed below. Expenditures likely increase correspondingly.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** A carrier that uses a provider panel must maintain standards in accordance with regulations adopted by the Commissioner for availability of health care providers to meet the health care needs of enrollees and establish specified procedures relating to

participation on the carrier's provider panel. A carrier must ensure that all enrollees have access to providers and covered services without unreasonable travel or delay and include standards that ensure access to providers.

By July 1, 2018, and annually thereafter, a carrier that uses a provider panel for a health benefit plan must file a specified network access plan with the Commissioner for review. An access plan must include a description of the carrier's network, process for monitoring and ensuring network sufficiency, factors used to build the provider network, efforts to address the needs of adult and child enrollees, efforts to include providers who serve predominantly low-income or medically underserved individuals (or, for specified carriers, efforts to address the needs of such individuals), and methods for assessing the health care needs of enrollees and enrollee satisfaction.

**Background:** According to the Maryland Association of County Health Officers (MACHO), LHDs offer cost effective and quality services in their communities, and in some communities, especially in rural areas such as Garrett County, LHDs are the only providers of behavioral health services. If a LHD is not part of a carrier's provider network, a patient may have to travel significant distances to another provider at greater financial cost. Some insurance carriers currently contract with LHDs for some services or have provider agreements for LHDs that wish to participate with the carrier.

**Local Fiscal Effect:** MACHO advises that LHD revenues increase by a potentially significant amount under the bill as current and potential patients are more likely to be able to see LHD providers and have their services covered by insurance. MACHO estimates that revenues statewide could be as much as \$1.8 million for behavioral health services alone. Revenues generated by LHDs are reinvested in LHD activities; therefore, LHD expenditures likely increase to hire additional providers to accommodate any increased volume in services provided.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1132 (Delegate K. Young, *et al.*) - Health and Government Operations.

**Information Source(s):** Maryland Association of County Health Officers; Department of Budget and Management; Maryland Department of Health; Maryland Health Benefit Exchange; CareFirst Blue Cross/Blue Shield; Department of Legislative Services

**Fiscal Note History:**  
nb/ljm

First Reader - February 26, 2018

Third Reader - March 28, 2018

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