

**Department of Fiscal Services**

Maryland General Assembly

**FISCAL NOTE  
Revised**

Senate Bill 624 (Senator Astle, et al.)

Finance

Referred to Economic Matters

**Health Care Provider and Payor Act of 1996**

---

This amended bill prohibits health insurers and health maintenance organizations (HMOs) from: (1) requiring health care providers to indemnify or hold the plan harmless from a coverage decision or negligent act of the plan or insurer; (2) reimbursing a health care provider in any amount less than the negotiated rate; or (3) prohibiting health care providers from communicating specified information to an enrollee, public official, or other person.

The bill also establishes a 12-member Task Force to Study Patient and Provider Appeal and Grievance Mechanisms. The task force is to report to the House Economic Matters Committee and the Senate Finance Committee by October 15, 1996. The Insurance Administration, in conjunction with other health-related State agencies and health organizations, is required to study the feasibility of a uniform voucher form for health care providers.

The task force section of the bill takes effect June 1, 1996. The rest of the bill takes effect October 1, 1996.

---

**Fiscal Summary**

**State Effect:** None. The bill's requirements could be handled with existing budgeted resources.

**Local Effect:** None.

---

**Fiscal Analysis**

**State Expenditures:** Task force members would serve without compensation but would be reimbursed for expenses under standard State travel regulations. Any such expenditures

would depend upon the time, location, and frequency of the task force's meetings. It is expected that reimbursements for the six legislators could be handled with existing budgeted resources. Thus six members of the task force could entail additional general fund expenditures for travel expenses. These expenditures are assumed to be minimal and absorbable within the Executive Department's existing resources. The bill is silent regarding any staffing needs of the task force. Fiscal Services assumes that staff could be provided by executive and legislative branch departments with existing personnel.

---

**Information Source(s):** Insurance Administration, Department of Budget and Fiscal Planning, Department of Health and Mental Hygiene (Health Care Access and Cost Commission), Department of Fiscal Services

**Fiscal Note History:** First Reader - February 28, 1996

ncs Revised - Senate Third Reader - April 2, 1996

---

Analysis By: Sue Friedlander

Direct Inquiries to:

Reviewed by: John Rixey

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710