

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 580 (Senator Derr)
Finance

Health Maintenance Organizations - Claims by Nonparticipating Providers

This bill provides that when a nonparticipating provider, which includes a physician and a hospital not under a written contract with an HMO, renders a health care service to an enrollee of an HMO, the nonparticipating provider must submit a claim to the enrollee's HMO within 90 days from the date the service was rendered.

Fiscal Summary

State Effect: No effect on general fund expenditures or revenues as discussed below.

Local Effect: None.

Small Business Effect: Minimal. The bill imposes a time limit for claim submission but it is not expected to affect the operations of small business health care providers.

Fiscal Analysis

State Effect: Currently, nonparticipating providers are not subject to a time period within which they have to submit a claim to an HMO. Some nonparticipating providers sometimes take as long as a year before submitting their claim. This bill requires the claim to be submitted within 90 days. The time frame would facilitate the billing process for HMOs, but should not affect administrative or medical care costs. As a result, expenditures for the State employee health benefit plan would not be affected.

Information Source(s): Insurance Administration; Department of Health and Mental

Hygiene (Medical Care Policy Administration, Health Care Access and Cost Commission);
Department of Budget and Management; Maryland Association of HMOs; Department of
Fiscal Services

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