

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 783 (Delegate Love, *et al.*)
Economic Matters

Referred to Finance

Health Maintenance Organizations - Referrals to Continuing Care Facilities

This enrolled bill requires the primary care provider (PCP) of a Medicare HMO enrollee who is a resident of a continuing care facility to refer the enrollee to the skilled nursing unit of the resident's continuing care facility after receiving health care services at an acute care facility if: (1) the continuing care facility agrees to become an HMO participating provider; (2) the patient and the PCP do not choose a different course of treatment; (3) the continuing care facility meets State licensing and certification guidelines, including Medicare certification; and (4) the facility's skilled nursing unit is Medicare certified. The continuing care facility is not obligated to accept anyone other than the residents of the continuing care facility for health care services and neither the HMO nor the facility is obligated to advertise the facility's participation in the HMO's provider panel.

Fiscal Summary

State Effect: None. The bill would not affect State finances.

Local Effect: None.

Small Business Effect: Potential minimal effect on small businesses as discussed below.

Fiscal Analysis

Small Business Effect: Since continuing care facilities would now be HMO providers and have to accept the HMO rates, HMO costs and premiums should not increase. Currently, about one continuing care facility can be considered a small business. Revenues for that small business should increase.

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

Hygiene (Medical Care Policy Administration, Health Care Access and Cost Commission, Office on Aging); Department of Fiscal Services

Fiscal Note History: First Reader - February 7, 1997
lc Revised - House Third Reader - March 18, 1997
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