

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 333 (Senator Bromwell)  
Finance

Referred to Economic Matters

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**Health Maintenance Organizations - Reimbursement for Medical Screening Services**

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This enrolled emergency bill extends the sunset date from March 31, 1997 to July 1, 1999, on the requirement that HMOs pay hospital and emergency providers for the cost of medical screenings performed to meet the requirements of the federal Emergency Medical Treatment and Active Labor Act (EMTALA). The bill repeals the requirement that the Department of Health and Mental Hygiene and the Health Care Access and Cost Commission develop a bundled payment for medical screening services in hospital emergency rooms.

The Health Services Cost Review Commission (HSCRC) must conduct a follow-up study to an earlier study which examined the effect of the reimbursement requirement on the billing patterns of hospitals and emergency physicians. HSCRC must report the results of the study by January 31, 1999 to the Governor and the General Assembly.

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**Fiscal Summary**

**State Effect:** Extending the sunset continues an HMO's obligation to pay for certain medical screenings; consequently, the State employee health benefit plan would not incur additional costs. HSCRC could conduct the required study with existing resources.

**Local Effect:** None.

**Small Business Effect:** None. This bill would not directly affect small businesses as it continues existing practice.

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**Fiscal Analysis**

**Background:** EMTALA requires hospital emergency facilities to assess and stabilize all

patients seeking treatment as a condition of receipt of Medicare reimbursements. It prohibits an emergency facility from (1) contacting an HMO to request authorization for treating an enrollee; or (2) transferring an enrollee to an HMO urgent care facility or physician's office for treatment without first performing a medical screening and assessment and stabilizing the patient's condition.

Chapter 503 of the Acts of 1996 requires HMOs to pay hospital and emergency providers for the cost of medical screenings performed to meet the requirements of EMTALA. The Act further directs the Department of Health and Mental Hygiene (DHMH) and the Health Care Access and Cost Commission (HCACC) to develop a bundled payment (flat fee) for medical screenings; and provides that the HMO's requirement to pay for medical screenings will sunset if a bundled payment system is not developed by March 31, 1997. A bundled payment system has not been developed because neither DHMH nor HCACC has the authority to set a bundled payment for screening services.

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**Information Source(s):** Department of Health and Mental Hygiene (Medical Care Policy Administration, Health Care Access and Cost Commission); Department of Fiscal Services

**Fiscal Note History:** First Reader - February 7, 1997  
lc Revised - Senate Third Reader - March 17, 1997  
Revised - Enrolled Bill - April 11, 1997

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