

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 337 (Delegate Morhaim)  
Economic Matters

---

**Health Maintenance Organizations - Reimbursement - X Rays**

---

This bill requires health maintenance organizations (HMOs) to reimburse orthopedic physicians for X rays taken in their offices if the X rays are: (1) medically appropriate; (2) part of the follow-up care related to the condition for which the physician has treated the enrollee; and (3) taken during a generally accepted global follow-up period.

---

**Fiscal Summary**

**State Effect:** If the State chooses to include the bill's mandated benefit as part of the State employee health benefit plan, general fund expenditures could increase by a minimal amount in FY 1998. Revenues would not be affected.

**Local Effect:** Expenditures for local jurisdiction employee health benefits could increase by an indeterminate minimal amount. Revenues would not be affected.

**Small Business Effect:** None. This bill would not directly affect small businesses because there are no small business HMOs.

---

**Fiscal Analysis**

**State Expenditures:** Although the State is self-insured and not required to cover mandated health benefits, in the past the State employee health benefit plan has always included coverage for mandated health benefits. Therefore, if the State chooses to include the bill's mandated benefit, expenditures could increase by an indeterminate minimal amount. It is assumed that there would have been a referral for X ray services if the service were medically necessary. The cost of receiving the X ray in the physician's office, however, may be greater than the cost of receiving the X ray at a freestanding laboratory or an X ray facility. The

difference in costs is expected to be minimal.

**Local Expenditures:** Expenditures for local jurisdiction employee health benefits could increase by an indeterminate amount, depending upon the current type of health care coverage offered and number of enrollees.

---

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

**Fiscal Note History:** First Reader - February 10, 1997

brd

---

Analysis by: Lina Walker

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710