

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 729 (Delegate Barve, *et al.*)
Economic Matters

Referred to Finance

Health Insurance Coverage for Individuals Under Guardianship

This enrolled bill establishes, for purposes of health insurance eligibility, that an individual for whom guardianship is granted under a court or testamentary appointment shall be considered a dependent of a person who is insured or enrolled with a health insurer, nonprofit health service plan, or HMO (carrier), if the individual under guardianship is dependent on and in the custody of the insured person. The bill does not apply to individuals under a temporary guardianship of less than 12 months. The carrier may require proof that the insured is a guardian under court or testamentary appointment, but the carrier must pay the cost of the proof.

Fiscal Summary

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

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

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

Fiscal Analysis

State Effect: Some health carriers may not currently provide dependent coverage to the individuals specified in this bill. As a result of providing coverage to an additional individual under a family policy, health insurance premiums may increase. The increase is expected to be minimal because it is anticipated that the targeted population is limited. General fund revenues could increase by a minimal amount in fiscal 1998 as a result of the State's 2% insurance premium tax. The State's premium tax is only applicable to "for-profit" insurance

carriers. In addition, general fund revenues could increase by a minimal amount if carriers have to file new rates and forms to the Insurance Administration and pay a \$100 rate and/or form filing fee.

Expenditures for the State employee health benefit plan would not be affected because they already provide dependent coverage for individuals under guardianship.

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.

Small Business Effect: Some health carriers may not currently provide dependent coverage to the individuals specified in this bill. As a result of providing coverage to an additional individual under a family policy, health insurance premiums may increase. The increase, however, is expected to be minimal because it is anticipated that the targeted population is not significant. In that event, health insurance costs for small businesses that offer health insurance and self-employed persons could increase. Alternatively, small businesses could pass an increase in health insurance premium costs onto their employees.

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

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