

HOUSE BILL 248

Unofficial Copy
C3

1998 Regular Session
(8lr1356)

ENROLLED BILL
-- Economic Matters/Finance --

Introduced by **Delegates Crumlin and Eckardt**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Mandated Health Insurance Services ~~–Process of Evaluation~~**

3 FOR the purpose of ~~establishing a Joint Committee on Mandated Health Insurance~~
4 ~~Services; requiring the Committee to review and evaluate the benefits under~~
5 ~~certain plans; requiring the Committee to make certain determinations and~~
6 ~~assessments; requiring the Committee to review certain proposals under certain~~
7 ~~circumstances; requiring certain reports under certain circumstances; defining~~
8 ~~certain terms; repealing the establishment and authority of the~~
9 ~~Interdepartmental Committee on Mandated Health Insurance Benefits;~~
10 ~~providing for the termination of this Act; and generally relating to benefits for~~
11 ~~health care services requiring the Health Care Access and Cost Commission to~~
12 ~~conduct a certain review of mandated health insurance services; requiring the~~
13 ~~Commission to submit a certain report to certain persons; requiring the~~
14 ~~Commission to review and evaluate certain proposals under certain~~
15 ~~circumstances; requiring the Commission to conduct an initial evaluation of the~~
16 ~~cost of mandated health insurance services and make a certain report to the~~
17 ~~General Assembly; providing for the construction of this Act; defining certain~~

1 terms; repealing certain provisions of law related to the establishment and duties
 2 of the Interdepartmental Committee on Mandated Health Insurance Benefits;
 3 and generally relating to the review of mandated health insurance services by the
 4 Health Care Access and Cost Commission.

5 BY repealing

6 Article - Insurance

7 Section 15-1501 through 15-1507, inclusive, and the subtitle "Subtitle 15.

8 Interdepartmental Committee on Mandated Health Insurance Benefits"

9 Annotated Code of Maryland

10 (1997 Volume)

11 BY adding to

12 Article - Insurance

13 Section 15-1501 and the new subtitle "Subtitle 15. ~~Health Services Evaluation~~

14 Mandated Health Insurance Services Evaluation"

15 Annotated Code of Maryland

16 (1997 Volume)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 18 MARYLAND, That Section(s) 15-1501 through 15-1507, inclusive, and the subtitle
 19 "Subtitle 15. Interdepartmental Committee on Mandated Health Insurance Benefits"
 20 of Article - Insurance of the Annotated Code of Maryland be repealed.

21 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 22 read as follows:

23 **Article - Insurance**

24 **~~SUBTITLE 15. HEALTH SERVICES EVALUATION.~~**

25 ~~15-1501.~~

26 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
 27 ~~INDICATED:~~

28 ~~(2) "CARRIER" MEANS:~~

29 ~~(I) AN INSURER;~~

30 ~~(II) A NONPROFIT HEALTH SERVICE PLAN;~~

31 ~~(III) A HEALTH MAINTENANCE ORGANIZATION;~~

32 ~~(IV) A DENTAL PLAN ORGANIZATION; OR~~

33 ~~(V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS~~
 34 ~~SUBJECT TO REGULATION BY THE STATE.~~

1 (3) "COMMITTEE" MEANS THE JOINT COMMITTEE ON MANDATED
2 HEALTH INSURANCE SERVICES.

3 (4) (I) "MANDATED HEALTH INSURANCE SERVICE" MEANS A
4 LEGISLATIVE PROPOSAL OR A STATUTE THAT WOULD REQUIRE A PARTICULAR
5 HEALTH CARE SERVICE TO BE PROVIDED OR OFFERED IN A HEALTH BENEFIT PLAN,
6 BY A CARRIER OR OTHER ORGANIZATION AUTHORIZED TO PROVIDE HEALTH
7 BENEFIT PLANS IN THE STATE.

8 (H) "MANDATED HEALTH INSURANCE SERVICE", AS APPLICABLE TO
9 ALL CARRIERS, DOES NOT INCLUDE SERVICES ENUMERATED TO DESCRIBE A
10 HEALTH MAINTENANCE ORGANIZATION UNDER § 19-701(F)(2) OF THE HEALTH-
11 GENERAL ARTICLE.

12 (B) (1) THERE IS A JOINT COMMITTEE ON MANDATED HEALTH INSURANCE
13 SERVICES.

14 (2) THE COMMITTEE CONSISTS OF:

15 (I) THE CHAIRMAN OF THE HOUSE ECONOMIC MATTERS
16 COMMITTEE OR DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF
17 THE HOUSE OF DELEGATES DESIGNATED BY THE SPEAKER OF THE HOUSE; AND

18 (II) THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE OR
19 DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF THE SENATE
20 DESIGNATED BY THE PRESIDENT OF THE SENATE.

21 (3) THE SENATE CHAIRMAN AND THE HOUSE CHAIRMAN OF THE
22 COMMITTEE SHALL BE APPOINTED BY THE PRESIDENT AND THE SPEAKER,
23 RESPECTIVELY, FROM THE MEMBERSHIP OF THE COMMITTEE. THE PRESIDING
24 CHAIRMANSHIP AND COCHAIRMANSHIP SHALL BE ALTERNATED ANNUALLY
25 BETWEEN THE SENATE AND THE HOUSE.

26 (C) (1) TO DETERMINE A BASELINE FOR ASSESSMENT OF A PROPOSED
27 HEALTH INSURANCE SERVICE UNDER SUBSECTION (D) OF THIS SECTION, THE
28 COMMITTEE SHALL REVIEW AND EVALUATE THE:

29 (I) THE BENEFITS PROVIDED UNDER THE STATE EMPLOYEE
30 HEALTH BENEFITS FOR MEDICAL COVERAGE; AND

31 (II) THE STANDARD PLAN AS DEFINED IN § 15-1201 OF THIS
32 ARTICLE, ADJUSTED TO INCLUDE ANY MANDATED SERVICES REQUIRED UNDER THIS
33 TITLE THAT ARE NOT INCLUDED IN THE STANDARD PLAN.

34 (2) THE REVIEW SHALL DETERMINE:

35 (I) THE PREMIUM COST OF BENEFITS FOR MEDICAL COVERAGE AS
36 A PERCENTAGE OF THE AVERAGE ANNUAL WAGE AS DETERMINED BY THE
37 DEPARTMENT OF ECONOMIC AND BUSINESS DEVELOPMENT; AND

1 (II) THE PORTION OF PREMIUM ATTRIBUTABLE TO MANDATED
2 ~~HEALTH INSURANCE SERVICES.~~

3 (D) (1) ~~THE COMMITTEE SHALL ASSESS THE SOCIAL, MEDICAL, AND~~
4 ~~FINANCIAL IMPACTS OF A PROPOSED MANDATED HEALTH INSURANCE SERVICE.~~

5 (2) ~~IN ASSESSING A PROPOSED MANDATED HEALTH INSURANCE~~
6 ~~SERVICE AND TO THE EXTENT THAT INFORMATION IS AVAILABLE, THE COMMITTEE~~
7 ~~SHALL CONSIDER:~~

8 (1) ~~SOCIAL IMPACTS, INCLUDING:~~

9 1. ~~THE EXTENT TO WHICH THE SERVICE IS GENERALLY~~
10 ~~UTILIZED BY A SIGNIFICANT PORTION OF THE POPULATION;~~

11 2. ~~THE EXTENT TO WHICH THE INSURANCE COVERAGE IS~~
12 ~~ALREADY GENERALLY AVAILABLE;~~

13 3. ~~IF COVERAGE IS NOT GENERALLY AVAILABLE, THE~~
14 ~~EXTENT TO WHICH THE LACK OF COVERAGE RESULTS IN INDIVIDUALS AVOIDING~~
15 ~~NECESSARY HEALTH CARE TREATMENTS;~~

16 4. ~~IF COVERAGE IS NOT GENERALLY AVAILABLE, THE~~
17 ~~EXTENT TO WHICH THE LACK OF COVERAGE RESULTS IN UNREASONABLE~~
18 ~~FINANCIAL HARDSHIP;~~

19 5. ~~THE LEVEL OF PUBLIC DEMAND FOR THE SERVICE;~~

20 6. ~~THE LEVEL OF PUBLIC DEMAND FOR INSURANCE~~
21 ~~COVERAGE OF THE SERVICE;~~

22 7. ~~THE LEVEL OF INTEREST OF COLLECTIVE BARGAINING~~
23 ~~AGENTS IN NEGOTIATING PRIVATELY FOR INCLUSION OF THIS COVERAGE IN GROUP~~
24 ~~CONTRACTS; AND~~

25 8. ~~THE EXTENT TO WHICH THE MANDATED HEALTH~~
26 ~~INSURANCE SERVICE IS COVERED BY SELF FUNDED EMPLOYER GROUPS OF~~
27 ~~EMPLOYERS IN THE STATE WHO EMPLOY AT LEAST 500 EMPLOYEES; AND~~

28 (II) ~~MEDICAL IMPACTS, INCLUDING:~~

29 1. ~~THE EXTENT TO WHICH THE SERVICE IS GENERALLY~~
30 ~~RECOGNIZED BY THE MEDICAL COMMUNITY AS BEING EFFECTIVE AND EFFICACIOUS~~
31 ~~IN THE TREATMENT OF PATIENTS;~~

32 2. ~~THE EXTENT TO WHICH THE SERVICE IS GENERALLY~~
33 ~~RECOGNIZED BY THE MEDICAL COMMUNITY AS DEMONSTRATED BY A REVIEW OF~~
34 ~~SCIENTIFIC AND PEER REVIEW LITERATURE; AND~~

35 3. ~~THE EXTENT TO WHICH THE SERVICE IS GENERALLY~~
36 ~~AVAILABLE AND UTILIZED BY TREATING PHYSICIANS; AND~~

- 1 (H) ~~(III)~~ FINANCIAL IMPACTS, INCLUDING:
- 2 1. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
- 3 ~~OR DECREASE THE COST OF THE SERVICE;~~
- 4 2. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
- 5 ~~THE APPROPRIATE USE OF THE SERVICE;~~
- 6 3. THE EXTENT TO WHICH THE MANDATED SERVICE WILL
- 7 ~~BE A SUBSTITUTE FOR A MORE EXPENSIVE SERVICE;~~
- 8 4. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
- 9 ~~OR DECREASE THE ADMINISTRATIVE EXPENSES OF INSURERS AND THE PREMIUM~~
- 10 ~~AND ADMINISTRATIVE EXPENSES OF POLICYHOLDERS;~~
- 11 5. THE IMPACT OF THIS COVERAGE ON THE TOTAL COST OF
- 12 ~~HEALTH CARE; AND~~
- 13 6. THE IMPACT OF ALL MANDATED HEALTH INSURANCE
- 14 ~~SERVICES ON EMPLOYERS' ABILITY TO PURCHASE HEALTH BENEFITS POLICIES~~
- 15 ~~MEETING THEIR EMPLOYEES' NEEDS.~~
- 16 (E) ~~THE COMMITTEE SHALL REPORT ITS ASSESSMENT TO THE SENATE~~
- 17 ~~FINANCE COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE ON OR~~
- 18 ~~BEFORE DECEMBER 1 OF EACH YEAR.~~

19 ~~SECTION 3. AND BE IT FURTHER ENACTED, That the Department of~~

20 ~~Legislative Services shall provide staff support to the Joint Committee on Mandated~~

21 ~~Health Insurance Services and may contract for actuarial services and other~~

22 ~~professional services to carry out the provisions of this Act.~~

23 ~~SECTION 4. AND BE IT FURTHER ENACTED, That the Joint Committee on~~

24 ~~Mandated Health Insurance Services may make reasonable requests upon carriers to~~

25 ~~submit data on the cost of a mandated service, utilization of a mandated service, or~~

26 ~~other information as determined appropriate to carry out the provisions of this Act.~~

27 ~~SECTION 5. AND BE IT FURTHER ENACTED, That, if a member of the~~

28 ~~General Assembly submits a proposal for a mandated health insurance service on or~~

29 ~~before July 1 of any year, the Joint Committee on Mandated Health Insurance~~

30 ~~Services shall review and evaluate the proposal in accordance with § 15-1501(d) of~~

31 ~~the Insurance Article, as enacted by this Act, and submit its report to the Senate~~

32 ~~Finance Committee and the House Economic Matters Committee on or before~~

33 ~~December 1 of the same year.~~

34 ~~SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect~~

35 ~~July 1, 1998. It shall remain effective for a period of 4 years and, at the end of June~~

36 ~~30, 2002, with no further action required by the General Assembly, this Act shall be~~

37 ~~abrogated and of no further force and effect.~~

SUBTITLE 15. MANDATED HEALTH INSURANCE SERVICES EVALUATION.

2 15-1501.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) "COMMISSION" MEANS THE HEALTH CARE ACCESS AND COST
6 COMMISSION.

7 (3) (I) "MANDATED HEALTH INSURANCE SERVICE" MEANS A
8 LEGISLATIVE PROPOSAL OR STATUTE THAT WOULD REQUIRE A PARTICULAR
9 HEALTH CARE SERVICE TO BE PROVIDED OR OFFERED IN A HEALTH BENEFIT PLAN,
10 BY A CARRIER OR OTHER ORGANIZATION AUTHORIZED TO PROVIDE HEALTH
11 BENEFIT PLANS IN THE STATE.

12 (II) "MANDATED HEALTH INSURANCE SERVICE", AS APPLICABLE TO
13 ALL CARRIERS, DOES NOT INCLUDE SERVICES ENUMERATED TO DESCRIBE A
14 HEALTH MAINTENANCE ORGANIZATION UNDER § 19-702(F)(2) OF THE HEALTH -
15 GENERAL ARTICLE.

16 (B) THIS SECTION DOES NOT AFFECT THE ABILITY OF THE GENERAL
17 ASSEMBLY TO ENACT LEGISLATION ON MANDATED HEALTH INSURANCE SERVICES.

18 (C) (1) THE COMMISSION SHALL ASSESS THE SOCIAL, MEDICAL, AND
19 FINANCIAL IMPACTS OF A PROPOSED MANDATED HEALTH INSURANCE SERVICE.

20 (2) IN ASSESSING A PROPOSED MANDATED HEALTH INSURANCE
21 SERVICE AND TO THE EXTENT THAT INFORMATION IS AVAILABLE, THE COMMISSION
22 SHALL CONSIDER:

23 (I) SOCIAL IMPACTS, INCLUDING:

24 1. THE EXTENT TO WHICH THE SERVICE IS GENERALLY
25 UTILIZED BY A SIGNIFICANT PORTION OF THE POPULATION;

26 2. THE EXTENT TO WHICH THE INSURANCE COVERAGE IS
27 ALREADY GENERALLY AVAILABLE;

28 3. IF COVERAGE IS NOT GENERALLY AVAILABLE, THE
29 EXTENT TO WHICH THE LACK OF COVERAGE RESULTS IN INDIVIDUALS AVOIDING
30 NECESSARY HEALTH CARE TREATMENTS;

31 4. IF COVERAGE IS NOT GENERALLY AVAILABLE, THE
32 EXTENT TO WHICH THE LACK OF COVERAGE RESULTS IN UNREASONABLE
33 FINANCIAL HARDSHIP;

34 5. THE LEVEL OF PUBLIC DEMAND FOR THE SERVICE;

35 6. THE LEVEL OF PUBLIC DEMAND FOR INSURANCE
36 COVERAGE OF THE SERVICE;

1 7. THE LEVEL OF INTEREST OF COLLECTIVE BARGAINING
2 AGENTS IN NEGOTIATING PRIVATELY FOR INCLUSION OF THIS COVERAGE IN GROUP
3 CONTRACTS; AND

4 8. THE EXTENT TO WHICH THE MANDATED HEALTH
5 INSURANCE SERVICE IS COVERED BY SELF-FUNDED EMPLOYER GROUPS OF
6 EMPLOYERS IN THE STATE WHO EMPLOY AT LEAST 500 EMPLOYEES;

7 (II) MEDICAL IMPACTS, INCLUDING:

8 1. THE EXTENT TO WHICH THE SERVICE IS GENERALLY
9 RECOGNIZED BY THE MEDICAL COMMUNITY AS BEING EFFECTIVE AND
10 EFFICACIOUS IN THE TREATMENT OF PATIENTS;

11 2. THE EXTENT TO WHICH THE SERVICE IS GENERALLY
12 RECOGNIZED BY THE MEDICAL COMMUNITY AS DEMONSTRATED BY A REVIEW OF
13 SCIENTIFIC AND PEER REVIEW LITERATURE; AND

14 3. THE EXTENT TO WHICH THE SERVICE IS GENERALLY
15 AVAILABLE AND UTILIZED BY TREATING PHYSICIANS; AND

16 (III) FINANCIAL IMPACTS, INCLUDING:

17 1. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
18 OR DECREASE THE COST OF THE SERVICE;

19 2. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
20 THE APPROPRIATE USE OF THE SERVICE;

21 3. THE EXTENT TO WHICH THE MANDATED SERVICE WILL
22 BE A SUBSTITUTE FOR A MORE EXPENSIVE SERVICE;

23 4. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
24 OR DECREASE THE ADMINISTRATIVE EXPENSES OF INSURERS AND THE PREMIUM
25 AND ADMINISTRATIVE EXPENSES OF POLICYHOLDERS;

26 5. THE IMPACT OF THIS COVERAGE ON THE TOTAL COST OF
27 HEALTH CARE; AND

28 6. THE IMPACT OF ALL MANDATED HEALTH INSURANCE
29 SERVICES ON EMPLOYERS' ABILITY TO PURCHASE HEALTH BENEFITS POLICIES
30 MEETING THEIR EMPLOYEES' NEEDS.

31 (D) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, THE COMMISSION
32 MAY CONTRACT FOR ACTUARIAL SERVICES AND OTHER PROFESSIONAL SERVICES
33 TO CARRY OUT THE PROVISIONS OF THIS SECTION.

34 (E) ON OR BEFORE DECEMBER 31, 1998, AND EACH DECEMBER 1 THEREAFTER,
35 THE COMMISSION SHALL SUBMIT A REPORT ON ITS FINDINGS, INCLUDING ANY

1 RECOMMENDATIONS, TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE
2 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

3 SECTION 3. AND BE IT FURTHER ENACTED, That the Health Care Access
4 and Cost Commission may make reasonable requests on carriers to submit data on the
5 cost of a mandated health insurance service, utilization of a mandated health
6 insurance service, and any other information the Commission considers necessary to
7 carry out the provisions of this Act.

8 SECTION 4. AND BE IT FURTHER ENACTED, That, if a member of the
9 General Assembly submits a proposal for a mandated health insurance service on or
10 before July 1 of any year, the Commission, in accordance with the requirements of §
11 15-1501 of the Insurance Article, as enacted by this Act, shall review and evaluate the
12 proposal and shall submit its findings and recommendations regarding the proposal
13 in its December report of that year.

14 SECTION 5. AND BE IT FURTHER ENACTED, That the Commission shall:

15 (a) conduct an initial evaluation of the cost of existing mandated health
16 insurance services and submit the results of its initial evaluation in the report due to
17 the General Assembly under this Act by December 31, 1998;

18 (b) recommend in its report an appropriate percentage of the average annual
19 wage in the State that the total cost of mandated health insurance services may not
20 exceed;

21 (c) take into consideration in its recommendation the percentage of the average
22 annual wage in the State that relates to the premium associated with:

23 (1) the current mandated health insurance services enacted in this State
24 for a typical group and individual health benefits plan;

25 (2) the benefits provided under the State Employee Health Benefits Plan
26 for medical coverage; and

27 (3) the Comprehensive Standard Health Benefit Plan as defined in §
28 15-1201(n) of the Insurance Article.

29 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 June 1, 1998.

