

HOUSE BILL 248

Unofficial Copy
C3
HB 668/97 - ECM

1998 Regular Session
8r1356

By: **Delegates Crumlin and Eckardt**
Introduced and read first time: January 26, 1998
Assigned to: Economic Matters

A BILL ENTITLED

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.

12 BY repealing

13 Article - Insurance
14 Section 15-1501 through 15-1507, inclusive, and the subtitle "Subtitle 15.
15 Interdepartmental Committee on Mandated Health Insurance Benefits"
16 Annotated Code of Maryland
17 (1997 Volume)

18 BY adding to

19 Article - Insurance
20 Section 15-1501 and the new subtitle "Subtitle 15. Health Services Evaluation"
21 Annotated Code of Maryland
22 (1997 Volume)

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26 of Article - Insurance of the Annotated Code of Maryland be repealed.

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

1

Article - Insurance

2

SUBTITLE 15. HEALTH SERVICES EVALUATION.

3 15-1501.

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

6 (2) "CARRIER" MEANS:

7 (I) AN INSURER;

8 (II) A NONPROFIT HEALTH SERVICE PLAN;

9 (III) A HEALTH MAINTENANCE ORGANIZATION;

10 (IV) A DENTAL PLAN ORGANIZATION; OR

11 (V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS
12 SUBJECT TO REGULATION BY THE STATE.

13 (3) "COMMITTEE" MEANS THE JOINT COMMITTEE ON MANDATED
14 HEALTH INSURANCE SERVICES.

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

20 (II) "MANDATED HEALTH INSURANCE SERVICE", AS APPLICABLE TO
21 ALL CARRIERS, DOES NOT INCLUDE SERVICES ENUMERATED TO DESCRIBE A
22 HEALTH MAINTENANCE ORGANIZATION UNDER § 19-701(F)(2) OF THE HEALTH -
23 GENERAL ARTICLE.

24 (B) (1) THERE IS A JOINT COMMITTEE ON MANDATED HEALTH INSURANCE
25 SERVICES.

26 (2) THE COMMITTEE CONSISTS OF:

27 (I) THE CHAIRMAN OF THE HOUSE ECONOMIC MATTERS
28 COMMITTEE OR DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF
29 THE HOUSE OF DELEGATES DESIGNATED BY THE SPEAKER OF THE HOUSE; AND

30 (II) THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE OR
31 DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF THE SENATE
32 DESIGNATED BY THE PRESIDENT OF THE SENATE.

33 (3) THE SENATE CHAIRMAN AND THE HOUSE CHAIRMAN OF THE
34 COMMITTEE SHALL BE APPOINTED BY THE PRESIDENT AND THE SPEAKER,

1 RESPECTIVELY, FROM THE MEMBERSHIP OF THE COMMITTEE. THE PRESIDING
2 CHAIRMANSHIP AND COCHAIRMANSHIP SHALL BE ALTERNATED ANNUALLY
3 BETWEEN THE SENATE AND THE HOUSE.

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

7 (I) BENEFITS PROVIDED UNDER THE STATE EMPLOYEE HEALTH
8 BENEFITS FOR MEDICAL COVERAGE; AND

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

12 (2) THE REVIEW SHALL DETERMINE:

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

16 (II) THE PORTION OF PREMIUM ATTRIBUTABLE TO MANDATED
17 HEALTH INSURANCE SERVICES.

18 (D) (1) THE COMMITTEE SHALL ASSESS THE SOCIAL AND FINANCIAL
19 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 COMMITTEE
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; AND

7 (II) FINANCIAL IMPACTS, INCLUDING:

8 1. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
9 OR DECREASE THE COST OF THE SERVICE;

10 2. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
11 THE APPROPRIATE USE OF THE SERVICE;

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

14 4. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
15 OR DECREASE THE ADMINISTRATIVE EXPENSES OF INSURERS AND THE PREMIUM
16 AND ADMINISTRATIVE EXPENSES OF POLICYHOLDERS;

17 5. THE IMPACT OF THIS COVERAGE ON THE TOTAL COST OF
18 HEALTH CARE; AND

19 6. THE IMPACT OF ALL MANDATED HEALTH INSURANCE
20 SERVICES ON EMPLOYERS' ABILITY TO PURCHASE HEALTH BENEFITS POLICIES
21 MEETING THEIR EMPLOYEES' NEEDS.

22 (E) THE COMMITTEE SHALL REPORT ITS ASSESSMENT TO THE SENATE
23 FINANCE COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE ON OR
24 BEFORE DECEMBER 1 OF EACH YEAR.

25 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
26 Legislative Services shall provide staff support to the Joint Committee on Mandated
27 Health Insurance Services and may contract for actuarial services and other
28 professional services to carry out the provisions of this Act.

29 SECTION 4. AND BE IT FURTHER ENACTED, That the Joint Committee on
30 Mandated Health Insurance Services may make reasonable requests upon carriers to
31 submit data on the cost of a mandated service, utilization of a mandated service, or
32 other information as determined appropriate to carry out the provisions of this Act.

33 SECTION 5. AND BE IT FURTHER ENACTED, That, if a member of the
34 General Assembly submits a proposal for a mandated health insurance service on or
35 before July 1 of any year, the Joint Committee on Mandated Health Insurance
36 Services shall review and evaluate the proposal in accordance with § 15-1501(d) of
37 the Insurance Article, as enacted by this Act, and submit its report to the Senate

1 Finance Committee and the House Economic Matters Committee on or before
2 December 1 of the same year.

3 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 1998. It shall remain effective for a period of 4 years and, at the end of June
5 30, 2002, with no further action required by the General Assembly, this Act shall be
6 abrogated and of no further force and effect.