

HOUSE BILL 248

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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

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 1998

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.

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

1 "Subtitle 15. Interdepartmental Committee on Mandated Health Insurance Benefits"
2 of Article - Insurance of the Annotated Code of Maryland be repealed.

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

5 **Article - Insurance**

6 SUBTITLE 15. HEALTH SERVICES EVALUATION.

7 15-1501.

8 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
9 INDICATED.

10 (2) "CARRIER" MEANS:

11 (I) AN INSURER;

12 (II) A NONPROFIT HEALTH SERVICE PLAN;

13 (III) A HEALTH MAINTENANCE ORGANIZATION;

14 (IV) A DENTAL PLAN ORGANIZATION; OR

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

17 (3) "COMMITTEE" MEANS THE JOINT COMMITTEE ON MANDATED
18 HEALTH INSURANCE SERVICES.

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

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

28 (B) (1) THERE IS A JOINT COMMITTEE ON MANDATED HEALTH INSURANCE
29 SERVICES.

30 (2) THE COMMITTEE CONSISTS OF:

31 (I) THE CHAIRMAN OF THE HOUSE ECONOMIC MATTERS
32 COMMITTEE OR DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF
33 THE HOUSE OF DELEGATES DESIGNATED BY THE SPEAKER OF THE HOUSE; AND

1 (II) THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE OR
2 DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF THE SENATE
3 DESIGNATED BY THE PRESIDENT OF THE SENATE.

4 (3) THE SENATE CHAIRMAN AND THE HOUSE CHAIRMAN OF THE
5 COMMITTEE SHALL BE APPOINTED BY THE PRESIDENT AND THE SPEAKER,
6 RESPECTIVELY, FROM THE MEMBERSHIP OF THE COMMITTEE. THE PRESIDING
7 CHAIRMANSHIP AND COCHAIRMANSHIP SHALL BE ALTERNATED ANNUALLY
8 BETWEEN THE SENATE AND THE HOUSE.

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

12 (I) THE BENEFITS PROVIDED UNDER THE STATE EMPLOYEE
13 HEALTH BENEFITS FOR MEDICAL COVERAGE; AND

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

17 (2) THE REVIEW SHALL DETERMINE:

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

21 (II) THE PORTION OF PREMIUM ATTRIBUTABLE TO MANDATED
22 HEALTH INSURANCE SERVICES.

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

25 (2) IN ASSESSING A PROPOSED MANDATED HEALTH INSURANCE
26 SERVICE AND TO THE EXTENT THAT INFORMATION IS AVAILABLE, THE COMMITTEE
27 SHALL CONSIDER:

28 (I) SOCIAL IMPACTS, INCLUDING:

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

31 2. THE EXTENT TO WHICH THE INSURANCE COVERAGE IS
32 ALREADY GENERALLY AVAILABLE;

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

1 4. IF COVERAGE IS NOT GENERALLY AVAILABLE, THE
2 EXTENT TO WHICH THE LACK OF COVERAGE RESULTS IN UNREASONABLE
3 FINANCIAL HARDSHIP;

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

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

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

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

13 (II) MEDICAL IMPACTS, INCLUDING:

14 1. THE EXTENT TO WHICH THE SERVICE IS GENERALLY
15 RECOGNIZED BY THE MEDICAL COMMUNITY AS BEING EFFECTIVE AND EFFICACIOUS
16 IN THE TREATMENT OF PATIENTS;

17 2. THE EXTENT TO WHICH THE SERVICE IS GENERALLY
18 RECOGNIZED BY THE MEDICAL COMMUNITY AS DEMONSTRATED BY A REVIEW OF
19 SCIENTIFIC AND PEER REVIEW LITERATURE; AND

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

22 ~~(H)~~ (III) FINANCIAL IMPACTS, INCLUDING:

23 1. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
24 OR DECREASE THE COST OF THE SERVICE;

25 2. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
26 THE APPROPRIATE USE OF THE SERVICE;

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

29 4. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE
30 OR DECREASE THE ADMINISTRATIVE EXPENSES OF INSURERS AND THE PREMIUM
31 AND ADMINISTRATIVE EXPENSES OF POLICYHOLDERS;

32 5. THE IMPACT OF THIS COVERAGE ON THE TOTAL COST OF
33 HEALTH CARE; AND

34 6. THE IMPACT OF ALL MANDATED HEALTH INSURANCE
35 SERVICES ON EMPLOYERS' ABILITY TO PURCHASE HEALTH BENEFITS POLICIES
36 MEETING THEIR EMPLOYEES' NEEDS.

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

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

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

12 SECTION 5. AND BE IT FURTHER ENACTED, That, if a member of the
13 General Assembly submits a proposal for a mandated health insurance service on or
14 before July 1 of any year, the Joint Committee on Mandated Health Insurance
15 Services shall review and evaluate the proposal in accordance with § 15-1501(d) of
16 the Insurance Article, as enacted by this Act, and submit its report to the Senate
17 Finance Committee and the House Economic Matters Committee on or before
18 December 1 of the same year.

19 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 1998. It shall remain effective for a period of 4 years and, at the end of June
21 30, 2002, with no further action required by the General Assembly, this Act shall be
22 abrogated and of no further force and effect.