

SENATE BILL 136

Unofficial Copy  
C3

1998 Regular Session  
(81r0074)

**ENROLLED BILL**  
-- Finance/Economic Matters --

Introduced by **Senator Bromwell**

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.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Advisory Panel on Mandated Health Insurance Benefits~~ **Mandated Health**  
3 ~~Insurance Benefits Services Evaluation~~

4 ~~FOR the purpose of establishing the Advisory Panel on Mandated Health Insurance~~  
5 ~~Benefits; specifying the membership and duties of the Advisory Panel; requiring~~  
6 ~~the Advisory Panel to conduct a certain review of all mandated health insurance~~  
7 ~~benefits; requiring the Advisory Panel to submit a certain report to certain~~  
8 ~~persons; providing for the construction of this Act; defining certain terms;~~  
9 ~~repealing certain provisions of law related to the establishment and duties of the~~  
10 ~~Interdepartmental Committee on Mandated Health Insurance Benefits; and~~  
11 ~~generally relating to establishing an Advisory Panel on Mandated Health~~  
12 ~~Insurance Benefits.~~

13 FOR the purpose of requiring the Health Care Access and Cost Commission to  
14 conduct a certain review of mandated health insurance ~~benefits services~~;  
15 requiring the Commission to submit a certain report to certain persons;  
16 requiring the Commission to review and evaluate certain proposals under  
17 certain circumstances; requiring the Commission to conduct an initial

1 evaluation of the cost of mandated health insurance ~~benefits~~ services and make  
 2 a certain report to the General Assembly; providing for the construction of this  
 3 Act; defining certain terms; repealing certain provisions of law related to the  
 4 establishment and duties of the Interdepartmental Committee on Mandated  
 5 Health Insurance Benefits; and generally relating to the review of mandated  
 6 health insurance ~~benefits~~ services by the Health Care Access and Cost  
 7 Commission.

8 BY repealing  
 9 Article - Insurance  
 10 Section 15-1501 through 15-1507, inclusive, and the subtitle "Subtitle 15.  
 11 Interdepartmental Committee on Mandated Health Insurance Benefits"  
 12 Annotated Code of Maryland  
 13 (1997 Volume)

14 BY adding to  
 15 Article - Insurance  
 16 Section 15-1501 to be under the new subtitle "Subtitle 15. ~~Advisory Panel on~~  
 17 Mandated Health Insurance ~~Benefits~~ Services Evaluation"  
 18 Annotated Code of Maryland  
 19 (1997 Volume)

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

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

26 **Article - Insurance**

27 SUBTITLE 15. ~~ADVISORY PANEL ON MANDATED HEALTH INSURANCE BENEFITS~~  
 28 SERVICES EVALUATION.

29 15-1501.

30 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
 31 INDICATED.

32 ~~(2) "ADVISORY PANEL" MEANS THE ADVISORY PANEL ON MANDATED~~  
 33 ~~HEALTH INSURANCE BENEFITS.~~

34 (2) "COMMISSION" MEANS THE HEALTH CARE ACCESS AND COST  
 35 COMMISSION.

36 ~~(3) (4) "MANDATED HEALTH INSURANCE BENEFIT" MEANS A~~  
 37 ~~LEGISLATIVE PROPOSAL OR A STATUTE THAT WOULD REQUIRE A PARTICULAR~~

~~1 HEALTH CARE SERVICE, BENEFIT, COVERAGE, OR REIMBURSEMENT FOR COVERED  
2 HEALTH CARE SERVICES TO BE PROVIDED OR OFFERED IN A HEALTH BENEFIT PLAN  
3 BY A CARRIER OR OTHER PERSON AUTHORIZED TO PROVIDE HEALTH BENEFIT  
4 PLANS IN THE STATE.~~

~~5 (H) "MANDATED HEALTH INSURANCE BENEFIT" INCLUDES A  
6 LEGISLATIVE PROPOSAL OR A STATUTE THAT WOULD REQUIRE A HEALTH BENEFIT  
7 PLAN THAT PROVIDES REIMBURSEMENT FOR A SERVICE TO PROVIDE  
8 REIMBURSEMENT FOR THAT SERVICE WHEN PERFORMED BY ANY HEALTH CARE  
9 PROVIDER WHO IS LICENSED UNDER THE HEALTH OCCUPATIONS ARTICLE AND  
10 WHOSE SCOPE OF PRACTICE INCLUDES THAT SERVICE.~~

~~11 (HH) "MANDATED HEALTH INSURANCE BENEFIT", AS APPLICABLE  
12 TO ALL CARRIERS, DOES NOT INCLUDE SERVICES ENUMERATED TO DESCRIBE A  
13 HEALTH MAINTENANCE ORGANIZATION UNDER § 19-701(F)(2) OF THE HEALTH -  
14 GENERAL ARTICLE.~~

~~15 (3) (I) "MANDATED HEALTH INSURANCE SERVICE" MEANS A  
16 LEGISLATIVE PROPOSAL OR 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 § 19-702(F)(2) OF THE HEALTH -  
23 GENERAL ARTICLE.~~

~~24 (B) THIS SECTION DOES NOT AFFECT THE ABILITY OF THE GENERAL  
25 ASSEMBLY TO ENACT LEGISLATION ON MANDATED HEALTH INSURANCE BENEFITS  
26 SERVICES.~~

~~27 (C) THERE IS AN ADVISORY PANEL ON MANDATED HEALTH INSURANCE  
28 BENEFITS.~~

~~29 (D) THE PURPOSE OF THE ADVISORY PANEL IS TO PROVIDE MEMBERS OF THE  
30 MARYLAND GENERAL ASSEMBLY WITH AN ASSESSMENT OF THE CLINICAL AND  
31 ECONOMIC IMPACT OF EACH MANDATED BENEFIT ON CONSUMERS, HEALTH CARE  
32 PROVIDERS, AND THIRD PARTY PAYORS.~~

~~33 (E) (I) THE ADVISORY PANEL SHALL CONSIST OF:~~

~~34 (I) TWO MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY  
35 THE PRESIDENT OF THE SENATE;~~

~~36 (II) TWO MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY  
37 THE SPEAKER OF THE HOUSE;~~

~~38 (III) TWO PHYSICIANS FROM THE JOHNS HOPKINS SCHOOL OF  
39 MEDICINE, APPOINTED BY THE DEAN;~~

1                   (IV)    ONE HEALTH ECONOMIST FROM THE JOHNS HOPKINS SCHOOL  
2 OF HYGIENE AND PUBLIC HEALTH, APPOINTED BY THE DEAN;

3                   (V)     TWO PHYSICIANS FROM THE UNIVERSITY OF MARYLAND  
4 SCHOOL OF MEDICINE, APPOINTED BY THE DEAN;

5                   (VI)    ONE REPRESENTATIVE FROM COPPIN STATE COLLEGE SCHOOL  
6 OF NURSING, APPOINTED BY THE DEAN;

7                   (VII)   SEVEN NONPHYSICIAN HEALTH CARE PROVIDERS TO WHOM  
8 HEALTH BENEFIT PLANS ARE REQUIRED TO PROVIDE REIMBURSEMENT AS A  
9 MANDATED HEALTH INSURANCE BENEFIT, APPOINTED BY THE GOVERNOR;

10                  (VIII)   ONE REPRESENTATIVE OF THE MEDICAL AND CHIRURGICAL  
11 FACULTY OF MARYLAND;

12                  (IX)    ONE REPRESENTATIVE OF THE MARYLAND HOSPITAL  
13 ASSOCIATION;

14                  (X)     ONE REPRESENTATIVE OF THE MARYLAND ASSOCIATION OF  
15 HEALTH MAINTENANCE ORGANIZATIONS;

16                  (XI)    ONE REPRESENTATIVE OF A NONPROFIT HEALTH SERVICE  
17 PLAN;

18                  (XII)   ONE REPRESENTATIVE OF THE LEAGUE OF LIFE AND HEALTH  
19 INSURERS;

20                  (XIII)   ONE REPRESENTATIVE OF THE HEALTH INSURANCE  
21 ASSOCIATION OF AMERICA;

22                  (XIV)   THE SECRETARY OF HEALTH AND MENTAL HYGIENE OR THE  
23 SECRETARY'S DESIGNEE; AND

24                  (XV)    THE MARYLAND INSURANCE COMMISSIONER OR THE  
25 COMMISSIONER'S DESIGNEE.

26                  (2)     THE GOVERNOR SHALL SELECT A CHAIRMAN FROM AMONG THE  
27 MEMBERS OF THE ADVISORY PANEL.

28                  (3)     THE ADVISORY PANEL SHALL MEET AT THE TIMES AND PLACES IT  
29 DETERMINES.

30       (F)    (C)    THE ADVISORY PANEL COMMISSION SHALL UNDERTAKE AN  
31 ONGOING AND SYSTEMATIC REVIEW OF ALL CURRENT AND PROPOSED MANDATED  
32 HEALTH INSURANCE BENEFITS IN THIS STATE FOR THE PURPOSE OF EVALUATING  
33 THEIR COST EFFECTIVENESS CLINICAL AND ECONOMIC IMPACT ON CONSUMERS,  
34 HEALTH CARE PROVIDERS, AND THIRD PARTY PAYORS AND MAKING  
35 RECOMMENDATIONS AS TO CONTINUING, MODIFYING, OR REPEALING CURRENT  
36 MANDATES AND APPROVING OR DISAPPROVING PROPOSED MANDATES.

1 ~~(G) AS PART OF ITS REVIEW UNDER SUBSECTION (F) OF THIS SECTION, THE~~  
2 ~~ADVISORY PANEL SHALL:~~

3 ~~(1) IF CONSIDERED APPROPRIATE BY THE ADVISORY PANEL, EVALUATE~~  
4 ~~RELEVANT MEDICAL LITERATURE;~~

5 ~~(2) CONDUCT SURVEYS OF CONSUMERS, HEALTH CARE PROVIDERS, AND~~  
6 ~~THIRD PARTY PAYORS;~~

7 ~~(3) PERFORM ECONOMIC ANALYSES OF HEALTH CLAIMS DATA; AND~~

8 ~~(4) CONSIDER:~~

9 ~~(I) THE COST OF THE MANDATED HEALTH INSURANCE BENEFIT;~~

10 ~~(II) THE EFFECTIVENESS OF THE MANDATED HEALTH INSURANCE~~  
11 ~~BENEFIT ON IMPROVING HEALTH STATUS;~~

12 ~~(III) THE PERCENTAGE OF THE POPULATION UTILIZING THE~~  
13 ~~MANDATED HEALTH INSURANCE BENEFIT; AND~~

14 ~~(IV) ANY OTHER INFORMATION THE ADVISORY PANEL CONSIDERS~~  
15 ~~APPROPRIATE.~~

16 ~~(H) (1) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE AND THE~~  
17 ~~ADMINISTRATION SHALL PROVIDE STAFF SUPPORT TO THE ADVISORY PANEL.~~

18 ~~(D) AS PART OF THE REVIEW REQUIRED UNDER SUBSECTION (C) OF THIS~~  
19 ~~SECTION, THE COMMISSION SHALL EVALUATE THE EFFECTIVENESS OF ALL~~  
20 ~~CURRENT AND PROPOSED MANDATED HEALTH INSURANCE BENEFITS IN:~~

21 ~~(1) MAINTAINING AND IMPROVING HEALTH STATUS;~~

22 ~~(2) REDUCING UNNECESSARY CONSUMPTION OF HEALTH CARE~~  
23 ~~SERVICES; AND~~

24 ~~(3) MAKING HEALTH CARE COVERAGE MORE AFFORDABLE.~~

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

27 ~~(2) IN ASSESSING A PROPOSED MANDATED HEALTH INSURANCE~~  
28 ~~SERVICE AND TO THE EXTENT THAT INFORMATION IS AVAILABLE, THE COMMISSION~~  
29 ~~SHALL CONSIDER:~~

30 ~~(I) SOCIAL IMPACTS, INCLUDING:~~

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



1 5. THE IMPACT OF THIS COVERAGE ON THE TOTAL COST OF  
 2 HEALTH CARE; AND

3 6. THE IMPACT OF ALL MANDATED HEALTH INSURANCE  
 4 SERVICES ON EMPLOYERS' ABILITY TO PURCHASE HEALTH BENEFITS POLICIES  
 5 MEETING THEIR EMPLOYEES' NEEDS.

6 ~~(A)~~ ~~(B)~~ (D) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET,  
 7 THE ~~ADVISORY PANEL COMMISSION~~ MAY CONTRACT FOR ACTUARIAL SERVICES AND  
 8 OTHER PROFESSIONAL SERVICES TO CARRY OUT THE PROVISIONS OF THIS SECTION.

9 ~~(A)~~ ~~(B)~~ (E) ON OR BEFORE ~~DECEMBER 1, 1999~~ DECEMBER 31, 1998, AND  
 10 EACH DECEMBER 1 THEREAFTER, ~~SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT~~  
 11 ~~ARTICLE, THE ADVISORY PANEL COMMISSION SHALL SUBMIT A REPORT ON ITS~~  
 12 ~~FINDINGS, INCLUDING ANY RECOMMENDATIONS, TO THE PRESIDENT OF THE~~  
 13 ~~SENATE OF MARYLAND, THE SPEAKER OF THE MARYLAND HOUSE OF DELEGATES,~~  
 14 ~~AND THE RESPECTIVE CHAIRMEN OF THE SENATE FINANCE COMMITTEE, THE~~  
 15 ~~HOUSE ECONOMIC MATTERS COMMITTEE, AND THE HOUSE ENVIRONMENTAL~~  
 16 ~~MATTERS COMMITTEE~~ GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE  
 17 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

18 SECTION 3. AND BE IT FURTHER ENACTED, That the ~~Advisory Panel on~~  
 19 ~~Mandated Health Insurance Benefits~~ Health Care Access and Cost Commission may  
 20 make reasonable requests on carriers to submit data on the cost of a mandated health  
 21 insurance ~~benefit service~~, utilization of a mandated health insurance ~~benefit service~~,  
 22 and any other information the ~~Advisory Panel Commission~~ considers necessary to  
 23 carry out the provisions of this Act.

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

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

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

34 (b) recommend in its report an appropriate percentage of the average annual  
 35 wage in the State that the total cost of mandated health insurance benefits services  
 36 may not exceed;

37 (c) take into consideration in its recommendation the percentage of the  
 38 average annual wage in the State that relates to the premium associated with;

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

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

3                   (3)       the Comprehensive Standard Health Benefit Plan as defined in §  
4 15-1201(n) of the Insurance Article.

5       SECTION 4. ~~6.~~ AND BE IT FURTHER ENACTED, That this Act shall take  
6 effect ~~July~~ June 1, 1998.