

SENATE BILL 136

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SB 781/97 - FIN

1998 Regular Session
8lr0074

By: **Senator Bromwell**
Introduced and read first time: January 22, 1998
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 4, 1998

CHAPTER _____

1 AN ACT concerning

2 ~~Advisory Panel on Mandated Health Insurance Benefits~~ Mandated Health
3 Insurance Benefits 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; requiring the
15 Commission to submit a certain report to certain persons; requiring the
16 Commission to review and evaluate certain proposals under certain
17 circumstances; requiring the Commission to conduct an initial evaluation of the
18 cost of mandated health insurance benefits and make a certain report to the
19 General Assembly; providing for the construction of this Act; defining certain
20 terms; repealing certain provisions of law related to the establishment and
21 duties of the Interdepartmental Committee on Mandated Health Insurance
22 Benefits; and generally relating to the review of mandated health insurance
23 benefits by the Health Care Access and Cost Commission.

24 BY repealing
25 Article - Insurance
26 Section 15-1501 through 15-1507, inclusive, and the subtitle "Subtitle 15.

1 Interdepartmental Committee on Mandated Health Insurance Benefits"
 2 Annotated Code of Maryland
 3 (1997 Volume)

4 BY adding to
 5 Article - Insurance
 6 Section 15-1501 to be under the new subtitle "Subtitle 15. ~~Advisory Panel on~~
 7 Mandated Health Insurance Benefits Evaluation"
 8 Annotated Code of Maryland
 9 (1997 Volume)

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 13 of Article - Insurance of the Annotated Code of Maryland be repealed.

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

16 **Article - Insurance**

17 SUBTITLE 15. ~~ADVISORY PANEL ON~~ MANDATED HEALTH INSURANCE BENEFITS
 18 EVALUATION.

19 15-1501.

20 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 21 INDICATED.

22 (2) ~~"ADVISORY PANEL" MEANS THE ADVISORY PANEL ON MANDATED~~
 23 ~~HEALTH INSURANCE BENEFITS.~~

24 (2) "COMMISSION" MEANS THE HEALTH CARE ACCESS AND COST
 25 COMMISSION.

26 (3) (I) "MANDATED HEALTH INSURANCE BENEFIT" MEANS A
 27 LEGISLATIVE PROPOSAL OR A STATUTE THAT WOULD REQUIRE A PARTICULAR
 28 HEALTH CARE SERVICE, BENEFIT, COVERAGE, OR REIMBURSEMENT FOR COVERED
 29 HEALTH CARE SERVICES TO BE PROVIDED OR OFFERED IN A HEALTH BENEFIT PLAN
 30 BY A CARRIER OR OTHER PERSON AUTHORIZED TO PROVIDE HEALTH BENEFIT
 31 PLANS IN THE STATE.

32 (II) "MANDATED HEALTH INSURANCE BENEFIT" INCLUDES A
 33 LEGISLATIVE PROPOSAL OR A STATUTE THAT WOULD REQUIRE A HEALTH BENEFIT
 34 PLAN THAT PROVIDES REIMBURSEMENT FOR A SERVICE TO PROVIDE
 35 REIMBURSEMENT FOR THAT SERVICE WHEN PERFORMED BY ANY HEALTH CARE
 36 PROVIDER WHO IS LICENSED UNDER THE HEALTH OCCUPATIONS ARTICLE AND
 37 WHOSE SCOPE OF PRACTICE INCLUDES THAT SERVICE.

1 (III) "MANDATED HEALTH INSURANCE BENEFIT", AS APPLICABLE
2 TO ALL CARRIERS, DOES NOT INCLUDE SERVICES ENUMERATED TO DESCRIBE A
3 HEALTH MAINTENANCE ORGANIZATION UNDER § 19-701(F)(2) OF THE HEALTH -
4 GENERAL ARTICLE.

5 (B) THIS SECTION DOES NOT AFFECT THE ABILITY OF THE GENERAL
6 ASSEMBLY TO ENACT LEGISLATION ON MANDATED HEALTH INSURANCE BENEFITS.

7 ~~(C) THERE IS AN ADVISORY PANEL ON MANDATED HEALTH INSURANCE~~
8 ~~BENEFITS.~~

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

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

14 ~~(I) TWO MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY~~
15 ~~THE PRESIDENT OF THE SENATE;~~

16 ~~(II) TWO MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY~~
17 ~~THE SPEAKER OF THE HOUSE;~~

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

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

22 ~~(V) TWO PHYSICIANS FROM THE UNIVERSITY OF MARYLAND~~
23 ~~SCHOOL OF MEDICINE, APPOINTED BY THE DEAN;~~

24 ~~(VI) ONE REPRESENTATIVE FROM COPPIN STATE COLLEGE SCHOOL~~
25 ~~OF NURSING, APPOINTED BY THE DEAN;~~

26 ~~(VII) SEVEN NONPHYSICIAN HEALTH CARE PROVIDERS TO WHOM~~
27 ~~HEALTH BENEFIT PLANS ARE REQUIRED TO PROVIDE REIMBURSEMENT AS A~~
28 ~~MANDATED HEALTH INSURANCE BENEFIT, APPOINTED BY THE GOVERNOR;~~

29 ~~(VIII) ONE REPRESENTATIVE OF THE MEDICAL AND CHIRURGICAL~~
30 ~~FACULTY OF MARYLAND;~~

31 ~~(IX) ONE REPRESENTATIVE OF THE MARYLAND HOSPITAL~~
32 ~~ASSOCIATION;~~

33 ~~(X) ONE REPRESENTATIVE OF THE MARYLAND ASSOCIATION OF~~
34 ~~HEALTH MAINTENANCE ORGANIZATIONS;~~

35 ~~(XI) ONE REPRESENTATIVE OF A NONPROFIT HEALTH SERVICE~~
36 ~~PLAN;~~

1 (XII) ONE REPRESENTATIVE OF THE LEAGUE OF LIFE AND HEALTH
2 INSURERS;

3 (XIII) ONE REPRESENTATIVE OF THE HEALTH INSURANCE
4 ASSOCIATION OF AMERICA;

5 (XIV) THE SECRETARY OF HEALTH AND MENTAL HYGIENE OR THE
6 SECRETARY'S DESIGNEE; AND

7 (XV) THE MARYLAND INSURANCE COMMISSIONER OR THE
8 COMMISSIONER'S DESIGNEE.

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

11 (3) THE ADVISORY PANEL SHALL MEET AT THE TIMES AND PLACES IT
12 DETERMINES.

13 (F) (C) THE ~~ADVISORY PANEL~~ COMMISSION SHALL UNDERTAKE AN
14 ONGOING AND SYSTEMATIC REVIEW OF ALL CURRENT AND PROPOSED MANDATED
15 HEALTH INSURANCE BENEFITS IN THIS STATE FOR THE PURPOSE OF EVALUATING
16 THEIR ~~COST-EFFECTIVENESS~~ CLINICAL AND ECONOMIC IMPACT ON CONSUMERS,
17 HEALTH CARE PROVIDERS, AND THIRD PARTY PAYORS AND MAKING
18 RECOMMENDATIONS AS TO CONTINUING, MODIFYING, OR REPEALING CURRENT
19 MANDATES AND APPROVING OR DISAPPROVING PROPOSED MANDATES.

20 (G) AS PART OF ITS REVIEW UNDER SUBSECTION (F) OF THIS SECTION, THE
21 ADVISORY PANEL SHALL:

22 (1) IF CONSIDERED APPROPRIATE BY THE ADVISORY PANEL, EVALUATE
23 RELEVANT MEDICAL LITERATURE;

24 (2) CONDUCT SURVEYS OF CONSUMERS, HEALTH CARE PROVIDERS, AND
25 THIRD PARTY PAYORS;

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

27 (4) CONSIDER:

28 (I) THE COST OF THE MANDATED HEALTH INSURANCE BENEFIT;

29 (II) THE EFFECTIVENESS OF THE MANDATED HEALTH INSURANCE
30 BENEFIT ON IMPROVING HEALTH STATUS;

31 (III) THE PERCENTAGE OF THE POPULATION UTILIZING THE
32 MANDATED HEALTH INSURANCE BENEFIT; AND

33 (IV) ANY OTHER INFORMATION THE ADVISORY PANEL CONSIDERS
34 APPROPRIATE.

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

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

6 (1) MAINTAINING AND IMPROVING HEALTH STATUS;

7 (2) REDUCING UNNECESSARY CONSUMPTION OF HEALTH CARE
 8 SERVICES; AND

9 (3) MAKING HEALTH CARE COVERAGE MORE AFFORDABLE.

10 ~~(2) (E)~~ (E) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, THE
 11 ~~ADVISORY PANEL COMMISSION~~ COMMISSION MAY CONTRACT FOR ACTUARIAL SERVICES AND
 12 OTHER PROFESSIONAL SERVICES TO CARRY OUT THE PROVISIONS OF THIS SECTION.

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

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

27 SECTION 4. AND BE IT FURTHER ENACTED, That, if a member of the
 28 General Assembly submits a proposal for a mandated health insurance benefit on or
 29 before July 1 of any year, the Commission, in accordance with the requirements of §
 30 15-1501 of the Insurance Article, as enacted by this Act, shall review and evaluate the
 31 proposal and shall submit its findings and recommendations regarding the proposal
 32 in its December report of that year.

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

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

37 (b) recommend in its report an appropriate percentage of the average annual
 38 wage in the State that the total cost of mandated health insurance benefits may not
 39 exceed;

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

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

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

7 (3) the Comprehensive Standard Health Benefit Plan as defined in §
8 15-1201(n) of the Insurance Article.

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