HB 481

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 481 (Delegate Donoghue, *et al.*)
Economic Matters

Health Insurance - Dermatological Care - Access to Care

This bill requires health insurers, nonprofit health service plans, and HMOs (carriers) to allow an enrollee to receive dermatological care from an in-network provider without a referral from the primary care provider (PCP) if: (1) the enrollee has a previously diagnosed dermatological condition; and (2) the condition requires follow-up care and monitoring on a periodic basis. For an enrollee without a previously diagnosed dermatological condition, the carrier must allow one visit a year to an in-network dermatologist without a referral from the PCP, regardless of whether the PCP is qualified to provide dermatological care.

Fiscal Summary

State Effect: Expenditures for the State employee health benefit plan could increase by an indeterminate minimal amount in FY 1999. General fund revenues could increase by an indeterminate minimal amount.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase by an indeterminate minimal amount, depending upon the current type of health care coverage offered and number of enrollees.

Small Business Effect: Minimal effect on small businesses.

Fiscal Analysis

State Revenues: Although this bill would allow enrollees to access specialist care (dermatological care) without a referral from a PCP for a previously-diagnosed condition that requires periodic care and monitoring, it is anticipated that most of those visits would have been authorized due to the enrollee's condition. The bill also allows an annual visit to a dermatologist without a referral for enrollees with no previously-diagnosed dermatological problem. While this provision may result in an increase in the number of visits to specialist dermatologists, it is assumed to be minimal. The potential increase in the number of dermatology visits may cause premiums to increase for some health plans by a minimal amount. General fund revenues thus could increase by an indeterminate minimal amount as a result of the State's 2% insurance premium tax on increased premiums. The State's premium tax is only applicable to "for-profit" insurance carriers.

In addition, general fund revenues could increase by an indeterminate minimal amount in fiscal 1999 since the bill's requirements could subject insurance companies to rate and form filings. Each insurer (except HMOs) that revises its rates and amends its insurance policy must submit the proposed change(s) to the Insurance Administration and pay a $100 rate and form filing fee(s). It is not possible to estimate the number of insurers who will file new rates and forms as a result of the bill's requirements, since rate and form filings often combine several rate and policy amendments at one time.

State Expenditures: Expenditures for the State employee health benefit plan could increase by an indeterminate amount in fiscal 1999 because the bill's requirements reduces the ability of a managed care plan to control utilization of health care services. Any increase in expenditures, however, is expected to be minimal, as discussed above.

As a result of this bill, future Medicaid capitation rates to managed care organizations (MCOs) could increase by a nominal amount to accommodate the increased cost incurred by those MCOs that are also HMOs.

Small Business Effect: Small business dermatology practices may experience an increase in business activity as a result of this bill. Any effect on insurance premiums is assumed to be negligible.

Information Source(s): Department of Budget and Management; Insurance Administration; Department of Health and Mental Hygiene (Board of Physician Quality Assurance, Health Care Access and Cost Commission, Medical Care Policy

Administration, Licensing and Certification); Department of Legislative Services

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