Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 373 (Senator Teitelbaum, *et al.*)
Finance

Health Maintenance Organizations - Reimbursement to Hospital Emergency Facilities and Providers

This bill requires an HMO to reimburse a hospital emergency facility and provider for medical assessment and stabilization services rendered to an HMO enrollee in order to meet the requirements of the federal Emergency Medical Treatment and Active Labor Act (EMTALA). Current law requires an HMO to reimburse for medical screening services performed to meet the requirements of EMTALA. This provision in law, as well as the provision in the bill, is scheduled to terminate on June 30, 1999.

The bill also increases the monetary penalty that could be assessed on HMOs for violating the bill's provision and other provisions in law from $1,000 to $5,000.

The bill takes effect July 1, 1998.

Fiscal Summary

State Effect: General fund expenditures and revenues could increase by an indeterminate minimal amount in FY 1999 only.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase by an indeterminate minimal amount in FY 1999 only, depending upon the current type of health care coverage offered and number of enrollees.

Small Business Effect: None. HMOs and hospitals are not small businesses.

Fiscal Analysis

Background: EMTALA requires hospital emergency facilities to assess and stabilize all patients seeking treatment as a condition of receipt of Medicare reimbursements. It prohibits an emergency facility from: (1) contacting an HMO to request authorization for treating an enrollee; or (2) transferring an enrollee to an HMO urgent care facility or physician's office for treatment without first performing a medical screening and assessment and stabilizing the patient's condition.

State Effect: Currently, HMOs are required to reimburse hospital and emergency providers for the cost of medical screenings performed to meet the requirements of EMTALA (Chapter 503 of 1996 and Chapter 107 of 1997). This bill requires HMOs to also pay for assessment and stabilization services prior to transferring the enrollee to another medical facility. These provisions, however, are scheduled to terminate on June 30, 1999.

As a result of the bill, medical care costs for some HMOs could increase by a minimal amount in fiscal 1999. In addition, HMOs may incur increased costs from fines resulting from a violation of the bill's provisions. If HMOs raise premiums as a result of increased costs, expenditures for the State Employee Health Benefit Plan could increase by a minimal amount in fiscal 1999 only.

In addition, general fund revenues from penalties could increase by a minimal amount in fiscal 1999 only. Any increase in workload for the Insurance Administration as a result of this bill could be handled with existing resources.

Information Source(s): Department of Health and Mental Hygiene (Health Care Access and Cost Commission, Medical Care Policy Administration), Insurance Administration, Department of Budget and Management, Department of Legislative Services

Fiscal Note History:	First Reader - February 13, 1998
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