

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1026 (Delegate Guns. *et al.*)

Environmental Matters

**Health Maintenance Organizations - Quality of Care Standards -
Appointment Times**

This bill specifies additional quality of care standards for HMOs. The bill requires an HMO to provide services to an enrollee in a timely manner that accounts for the immediacy of the need for services, including the provision of services within a reasonable time after an enrollee requests for an initial or follow-up appointment with a physician. By November 1, 1998, the Department of Health and Mental Hygiene (DHMH) must adopt regulations that establish time frames within which an HMO must schedule an appointment for an enrollee in accordance with the bill's requirements.

The bill takes effect July 1, 1998.

Fiscal Summary

State Effect: Potential minimal expenditure increase for the State Employee Health Benefit Plan. Revenues would not be affected.

Local Effect: None.

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

Fiscal Analysis

State Expenditures: Currently, all HMOs that participate in the State Employee Health Benefit Plan are accredited by the National Committee for Quality Assurance (NCQA). As part of the accreditation process, an HMO plan is required to establish waiting time standards for appointments with a physician. The performance of the plan is then measured against those standards. While NCQA does not prescribe waiting time standards, they do assess the

“reasonableness” and “appropriateness” of the standards established by the HMO plan.

The effect of this bill on expenditures for the State Employee Health Benefit Plan would depend on the waiting time standards adopted by DHMH and the deviation of DHMH’s standards from those currently employed by the NCQA-accredited HMOs in the State health plan. Any effect on expenditures, however, is expected to be minimal.

Establishing appointment time standards could be handled with existing budgeted resources.

Information Source(s): Department of Budget and Management; Insurance Administration; Department of Health and Mental Hygiene (Licensing and Certification, Medical Care Policy Administration); Department of Legislative Services; National Committee for Quality Assurance

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