

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 40 (Chairman, Economic Matters Committee)
(Departmental - Health and Mental Hygiene)

Economic Matters

Health Care Access and Cost Commission - Modifications and Clarifications

This departmental bill repeals the authority of the Maryland Health Care Access and Cost Commission (HCACC) to develop a payment system for health care services and eliminates the requirement to implement a uniform payment system for all health care practitioners in the State by January 1, 1999. The bill also authorizes HCACC to inform consumers about practitioner charges and payor reimbursements, including information on capitated health care services. In addition, the bill requires payors to use coding edits and make the standards available to health care practitioners upon request.

This bill takes effect July 1, 1999.

Fiscal Summary

State Effect: The FY 2000 HCACC budget allowance includes \$30,000 in special funds to provide consumer information regarding practitioner charges, provider reimbursements, and capitated health care services, and to provide coding edit standards to health care practitioners, as required by this bill. Revenues would not be affected.

Local Effect: None.

Small Business Effect: The Department of Health and Mental Hygiene has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Expenditures: The fiscal 2000 HCACC proposed budget allowance includes \$30,000 to provide consumers with information about practitioner charges, payor reimbursements, and capitated health care services, and to provide coding edit standards to health care practitioners. The allowance does not include funds to develop and implement a uniform payment system. In fiscal 1997 and 1998, HCACC received appropriations of \$400,000 and \$275,000, respectively, to develop and implement the uniform payment system. The funds were not spent because HCACC did not go forth with the development of the payment system. Since current law requires HCACC to implement the payment system by January 1, 1999, projected special fund expenditures for implementation is expected to be \$400,000 if the bill fails.

Additionally, the bill requires HCACC and the Maryland Insurance Administration (MIA) to require payors to use coding edits and distribute coding edit standards upon request. HCACC is expected to distribute most of the coding edit standards because it is developing them. Any standards distributed by MIA can be handled with existing MIA resources. MIA will enforce the use of coding edits through its complaints division. Any additional complaints also can be handled with existing MIA resources.

Information Source(s): Department of Health and Mental Hygiene (Health Care Access and Cost Commission), Department of Legislative Services

Fiscal Note History: First Reader - January 22, 1999
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