

Department of Legislative Services  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

Senate Bill 520 (Senators Astle and Kellev)

Finance

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**Health Maintenance Organizations - Enrollees and Subscribers - Private Contracts  
for Health Care Services**

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This bill prohibits a health care provider under written contract with an HMO from collecting or attempting to collect payment for a covered service from an enrollee when the HMO is responsible for the payment to the health care provider. A health care provider may still collect or attempt to collect any copayment or coinsurance owed by the enrollee or any payment or charges for services not covered under the enrollee's contract. In addition, the bill provides that an enrollee may privately contract with a health care provider who is not under contract with the HMO.

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**Fiscal Summary**

**State Effect:** None. Any additional complaints received by the Maryland Insurance Administration as a result of the bill's requirements could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Fiscal Analysis**

**Background:** Under current law a health care provider is prohibited from "balance billing" an HMO enrollee for any money that the provider cannot collect from the HMO. The bill narrows the prohibition against balance billing to apply only to a health care provider who is under written contract with an HMO. Non-participating providers would no longer be prohibited from balance billing HMO enrollees and could be able to collect additional money from them. Conversely, HMO members would no longer be protected from balance billing

by non-participating providers and could be liable for additional money.

**State Effect:** The bill could result in additional complaints from consumers who receive bills from health care providers. Any additional complaints could be handled with existing Maryland Insurance Administration resources.

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**Information Source(s):** Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Health and Mental Hygiene (Medicaid, Health Care Access and Cost Commission), Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 1999

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