

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

House Bill 321 (Delegate Goldwater. *et al.*)

Environmental Matters

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**Health Maintenance Organizations - Patient Access to Choice of Provider**

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This bill adds and defines the term “primary care provider” to include general practitioner, family practitioner, internist, pediatrician, obstetrician, gynecologist, and nurse practitioner. The bill requires HMOs to provide patient access to primary care providers in circumstances where HMOs currently are required to provide access to physicians. The bill also requires HMOs to designate which physicians or providers may be classified as primary care providers, and allows patients to choose their primary care providers.

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**Fiscal Summary**

**State Effect:** Special fund revenues could increase by an indeterminate minimal amount. No effect on expenditures.

**Local Effect:** None.

**Small Business Effect:** None.

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**Fiscal Analysis**

**State Expenditures:** This bill defines and codifies the term “primary care provider,” a term that has been in general use within the health care industry. This bill adds nurse practitioners to the list of providers who may function as primary care providers. The cost of an office visit with a nurse practitioner is generally lower than an office visit with a physician. However, a nurse practitioner may not be able to treat all patients and may subsequently have to refer the patient to a physician.

Because there are both cost savings and cost increases associated with visits to a nurse practitioner, health care premiums are not expected to increase as a result of this bill. Accordingly, expenditures for the State Employee Health Benefits Plan would not be materially affected.

**State Revenues:** Special fund revenues could increase by an indeterminate minimal amount in fiscal 2000 because the bill's requirements could subject carriers to rate and form filings. Each carrier that revises its rates and amends its insurance policy must submit the proposed changes to the Maryland Insurance Administration (MIA) and pay a \$125 rate and form filing fee. The number of carriers who will file new rates and forms as a result of the bill's requirements cannot be reliably estimated at this time because carriers often combine several rate and policy amendments at one time when filing with MIA.

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

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