

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

House Bill 1022 (Delegate Conway. *et al.*)

Economic Matters

Health Insurance - Interpreter Expenses for Hearing Impaired

This bill requires an insurer, a nonprofit health service plan, an HMO, or a dental plan organization (carrier) to reimburse a health care practitioner for the cost of services performed by a qualified interpreter for an enrollee if: (1) the services are necessary because of the enrollee's hearing impairment or failure to understand or otherwise communicate in spoken language; (2) the services are used in connection with medical treatment or diagnostic consultations performed by the health care practitioner; and (3) the health care practitioner is delivering covered services to the enrollee.

Fiscal Summary

State Effect: Expenditures for the State Employee Health Benefits Program could increase by as much as \$18,400 in FY 2000. Future year expenditures reflect annualization and inflation. Special and general fund revenues could each increase by an indeterminate minimal amount.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF/SF Rev.	-	-	-	-	-
GF/SF/FF Expen.*	\$18,400	\$25,800	\$27,100	\$28,400	\$29,900
Net Effect	(\$18,400)	(\$25,800)	(\$27,100)	(\$28,400)	(\$29,900)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

*Assumes (1) a mix of 60% general funds, 20% federal funds, and 20% special funds; and (2) 20% of expenditures are reimbursable through employee contributions.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase by an indeterminate minimal amount, depending upon the current type of health care coverage offered and number of enrollees. Revenues would not be affected.

Small Business Effect: Potential minimal. Health insurance costs for small businesses and

self-employed individuals could increase if carriers increase their premiums as a result of this bill. Sign language interpreters could have additional employment opportunities with health care providers.

Fiscal Analysis

State Expenditures: According to the Center for Assessment and Demographic Studies at Gallaudet University, approximately 20 million Americans (8.6% of the national population) suffer from some type of hearing loss, and 550,000 Americans (0.0022% of the national population) are considered deaf. Based on the percentage of deaf persons, it is estimated that 550 persons enrolled in the State plan (250,000 covered lives) are deaf and would use an interpreter when seeing a health care practitioner. The cost of sign language interpreters can range between \$75 and \$200 per hour.

Self-Funded Portions of State Plan: Approximately one-third of the enrollees covered by the State plan are enrolled in the self-funded portions of the State plan, under which the State could incur the cost of interpreter services. Assuming that 182 enrollees require an interpreter at one visit to a health care practitioner annually, and an average interpreter cost of \$135, State expenditures could increase by \$18,400 in fiscal 2000. Future year expenditures reflect annualization and 5% medical rate inflation.

Fully-Insured Portions of State Plan: Approximately two-thirds of the enrollees covered by the State plan are enrolled in the fully-insured portions of the State plan, for which the State pays premiums to carriers. If the carriers increase premiums as a result of this bill, premiums may increase for the State plan. Any increase is expected to be negligible.

State Revenues: Special fund revenues could increase by an indeterminate minimal amount in fiscal 2000 because carriers that do not already provide interpreter coverage will be subject to rate and form filing fees. Each affected carrier that revises its rates and amends its insurance policy must submit the proposed change(s) 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.

If carriers increase their premiums as a result of this bill, general fund revenues could increase by an indeterminate minimal amount as a result of the State's 2% insurance premium tax on increased premiums. The State's premium tax is applicable only to "for-profit" insurance carriers.

Information Source(s): Department of Health and Mental Hygiene (Board of Physician Quality Assurance, Medicaid, Health Care Access and Cost Commission), Maryland

Insurance Administration, Department of Budget and Management (Employee Benefits Division), Center for Assessment and Demographic Studies at Gallaudet University, Department of Legislative Services

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