

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

Senate Bill 585 (Senator Van Hollen. *et al.*)

Finance

**Health Insurance - Managed Behavioral Health Care Organizations - Quality
Measures, Explanations, and Expense Ratios**

This bill requires an insurer, nonprofit health services plan, HMO, preferred provider organization, and third party administrator (carrier) to file a report on the mental health expense ratio of behavioral health care services on or before March 1 of each year to the Maryland Insurance Administration (MIA). A carrier must also distribute to its members at the time of enrollment an explanation of: (1) the specific behavioral health care services covered and excluded; (2) the member's responsibilities for obtaining behavioral health care services; (3) the reimbursement methodology that the carrier and managed behavioral health care organization use to reimburse providers; and (4) the procedure that a member must use when attempting to obtain behavioral health care services outside the network of providers used by the carrier.

MIA must develop the health expense ratio form to be used by providers, and promulgate regulations necessary to carry out the bill's requirements.

The bill also creates a ten-member task force to develop quality measures for behavioral health care services to enrollees of managed behavioral health care organizations. The task force must report its findings to the Senate Finance and House Economic Matters Committees by December 15, 1999.

The task force provisions and the provisions requiring carriers to distribute certain consumer information are effective October 1, 1999. The provisions requiring carriers to file their mental health expense ratio with MIA are effective October 1, 2000.

Fiscal Summary

State Effect: None. The bill's requirements could be handled with existing resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Information Source(s): Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Legislative Services

Fiscal Note History: First Reader - March 1, 1999
mld/jr Revised - Senate Third Reader - March 26, 1999
Revised - Enrolled Bill - May 3, 1999

Analysis by: Susan John

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510