

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

Senate Bill 595 (Senator Hollinger, *et al.*)

Economic and Environmental Affairs

Practice of Dentistry - Definition

This bill includes within the definition of “practice dentistry” the making of a determination that a dental service is not (1) medically or dentally necessary; or (2) medically or dentally appropriate. The Maryland Insurance Administration (MIA) and Department of Health and Mental Hygiene (DHMH) must study the potential impact of the bill’s requirements on insurance premiums and access to insurance. In addition, the study must examine other states’ practices on allowing state dental boards to regulate medical necessity/appropriateness in dental services. MIA and DHMH must submit a report of their findings to the General Assembly by December 31, 1999.

Fiscal Summary

State Effect: Expenditures for the State Employee Health Benefits Plan could increase by an indeterminate minimal amount. Any additional disciplinary hearings by the State Board of Dental Examiners could be handled with existing resources. Any expenses associated with MIA and DHMH’s study could be handled with existing agency resources. General fund revenues could increase by an indeterminate minimal amount.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase depending upon the current type of health care coverage offered and number of enrollees.

Small Business Effect: Potential minimal. To the extent that costs for carriers increase and carriers raise premiums, health insurance costs for small businesses and self-employed persons could increase.

Fiscal Analysis

State Expenditures:

State Employee Health Benefits Plan: Generally, managed care dental plans and other carriers that offer dental coverage have asserted that a determination of medical or dental necessity is a coverage issue and in no way impacts on the dentist’s delivery of dental services. Under the bill’s provisions, if a carrier’s medical director reviews an enrollee’s proposed course of treatment and deems it to be not medically or dentally necessary, and if the enrollee suffers harm from the denial of a certain course of treatment, the medical director may be held liable for medical malpractice in a cause of action by the enrollee or enrollee’s agent. Carriers may incur increased costs of litigation as a result of this bill, and may subsequently pass the costs on to employers, such as the State Employee Health Benefits Plan. Increases are expected to be minimal because it is assumed carriers will take other steps to minimize their liability risks.

Board of Dental Examiners: The bill subjects carriers’ medical directors to the disciplinary authority of the Board of Dental Examiners (BDE) in matters concerning the determination of medical or dental necessity as it relates to dental services. Any additional cases could be handled with existing board resources.

Study by MIA and DHMH: Any expenses associated with the study are assumed to be minimal and able to be handled with existing agency resources.

State Revenues: It is unknown how many carriers may incur additional litigation costs and subsequently increase premiums as a result of this bill. If carriers do increase premiums, general fund revenues could increase by an indeterminate minimal amount as a result of the State’s 2% insurance premium tax. The State’s premium tax is applicable only to for-profit insurance carriers.

Information Source(s): Maryland Insurance Administration, Department of Health and Mental Hygiene (Medicaid, Board of Dental Examiners), Department of Legislative Services

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