

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 46 (Delegate Goldwater. *et al.*)

Economic Matters

Health Insurance - Annual Chlamydia Screening Test - Coverage

This bill requires insurers, nonprofit health service plans, and HMOs (carriers) to provide coverage for an annual chlamydia screening test to specified individuals. It also allows carriers to impose cost-sharing requirements on covered individuals.

This bill applies to all policies issued on or after October 1, 1999. Any policy in effect before October 1, 1999 must comply with the bill's requirements by October 1, 2000.

Fiscal Summary

State Effect: Expenditures for the State Employee Health Benefits Plan could increase by an indeterminate minimal amount. The State Employee Health Benefits Plan currently covers the screening in most, but not all, of the circumstances required by this bill. Potential minimal impact on revenues.

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

Small Business Effect: Potential minimal impact. Health insurance costs for small businesses and self-employed persons could increase if carriers increase their premiums as a result of this bill. Any increase is expected to be negligible.

Fiscal Analysis

State Revenues: Special fund revenues could increase by an indeterminate minimal amount in fiscal 2000 because carriers that do not already provide this coverage will be subject to rate and form filing fees. Each affected carrier, including HMOs, that reviews 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.

Medical care costs for some health plans subject to State mandates could increase as a result of this bill. The increase is expected to be minimal since most health plans currently cover this procedure. If there is an increase in medical care costs, causing carriers to increase premiums, 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.

Additional Comments: The Maryland Health Care Access and Cost Commission (HCACC), in conjunction with William M. Mercer, Inc., conducted a study on mandated health benefits. According to this report (the Mandated Health Insurance Services Evaluation, December 15, 1998), requiring chlamydia screening for at-risk persons would cost approximately \$0.90 per covered employee in group policies. HCACC based this figure on a survey of the insurance market in Maryland, in which 60% of all plans currently cover this exam for asymptomatic, at-risk persons and 10% of all plans currently cover this exam only for symptomatic persons. As a result, 70% of these exams are already provided and covered. Therefore, the marginal annual cost per group contract would be approximately 0% of the annual premium.

Information Source(s): Department of Health and Mental Hygiene (Health Care Access and Cost Commission), Department of Budget and Management (Employee Benefits Division), Maryland Insurance Administration, Care First Blue Cross Blue Shield

Fiscal Note History: First Reader - January 28, 1999
dmm/jr Revised - House Third Reader - March 22, 1999

Analysis by: Susan John

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