

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

House Bill 626 (Delegates Eckardt and Donoghue)

Economic Matters

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Medicare Risk Health Maintenance Organizations - Premiums

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This bill requires carriers that participate in Medicare HMO risk contracts to offer the same contract in all jurisdictions in the State and to charge the same premium on a Medicare HMO contract regardless of geographic payment area.

The bill takes effect June 1, 1999.

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Fiscal Summary

**State Effect:** None. The bill would not directly affect governmental finances.

**Local Effect:** None.

**Small Business Effect:** None.

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Fiscal Analysis

**Background:** Under existing federal statute, Medicare risk plans are permitted to vary their benefit and premium structure in different geographic areas under the same contract, also known as “flexible benefits.” The federal Health Care Financing Administration, however, will designate a state as a single statewide payment area if requested in writing by the governor.

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**Information Source(s):** Department of Health and Mental Hygiene (Medical Care Policy Administration), Department of Legislative Services

**Fiscal Note History:**

First Reader - February 22, 1999

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