

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

Senate Bill 267 (Senator Dorman, *et al.*)

Finance

Health Maintenance Organizations - Patient Access to Choice of Provider

This bill allows HMOs to provide patient access for primary care services through nurse practitioners in circumstances where HMOs currently provide access through physicians. The bill also requires HMOs to designate which physicians or nurse practitioners may be classified as primary care providers, and allows patients to choose their primary care providers.

Fiscal Summary

State Effect: Special fund revenues could increase by an indeterminate minimal amount. No effect on expenditures.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Expenditures: The cost of an office visit with a nurse practitioner is generally lower than an office visit with a physician. However, a nurse practitioner may not be able to treat all patients and may subsequently have to refer the patient to a physician.

Because there are both cost savings and cost increases associated with visits to a nurse practitioner, health care premiums are not expected to increase as a result of this bill. Accordingly, expenditures for the State Employee Health Benefits Plan would not be materially affected.

State Revenues: Special fund revenues could increase by an indeterminate minimal amount

in fiscal 2000 because the bill's requirements could subject carriers to rate and form filings. Each carrier that revises its rates and amends its insurance policy must submit the proposed changes 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.

Information Source(s): Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Health and Mental Hygiene (Health Care Access and Cost Commission, Licensing and Certification Administration), Department of Legislative Services

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| Fiscal Note History: | First Reader - February 15, 1999 |
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