

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

House Bill 978 (Delegate Mitchell)

Environmental Matters

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**Health Care Access and Cost Commission - Advisory Committee on Practice Parameters - Repeal**

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This bill repeals the requirement that the Health Care Access and Cost Commission (HCACC) foster the development of practice parameters and disbands the Advisory Committee on Practice Parameters.

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**Fiscal Summary**

**State Effect:** Special fund revenues and expenditures would both decrease by \$200,000 annually beginning in FY 2000.

**Local Effect:** None.

**Small Business Effect:** None.

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**Fiscal Analysis**

**Background:** HCACC was given the authority to develop practice parameters, with the assistance of the advisory council, in 1993 (Chapter 9, Acts of 1993). At that time, HCACC assumed the need of a research consultant to assist in development of between 15 and 20 practice parameters per year. Nationally, there are approximately 1,800 standardized practice parameters for various medical treatments. HCACC and the advisory council develop proposed practice parameters and mail them to various specialists in the medical community for review and approval. Each proposed parameter may result in up to 10,000 mailings. The specialists vote on whether to adopt the practice parameter, and if 60% or more vote to approve a parameter, HCACC submits the parameter to be adopted as regulations. To date, only two parameters have been adopted: pediatric asthma and the management of labor. The

use of a research consultant has not been necessary because the advisory council has provided HCACC with the necessary information on practice parameters that have been developed thus far, but the funds for a consultant have remained in HCACC's budget for future research needs.

**State Effect:** HCACC's fiscal 2000 budget allowance includes \$200,000 for the development of practice parameters. This bill would thus reduce annual expenditures by \$200,000 beginning in fiscal 2000. The budget allowance includes postage to mail up to 20 proposed practice parameters to up to 100,000 medical community specialists annually and consultant fees, as follows:

Postage (20 Parameters x 10,000 Specialists x \$0.32)	\$64,000
Consultant Fees (540 hours x \$250 per hour)	<u>\$136,000</u>
Total Fiscal 2000 Expenditures	\$200,000

HCACC is specially funded through fees imposed on payors and providers. As a result of the decrease in expenditures, HCACC would lower provider fees by an amount to exactly offset the decrease in expenditures.

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**Information Source(s):** Department of Health and Mental Hygiene (Health Care Access and Cost Commission), Department of Legislative Services

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