

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE

House Bill 914 (Delegate Conway, *et al.*)

Economic Matters

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Health Insurance - Interpreter Expenses for Hearing Impaired

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This bill requires a health insurer, nonprofit health service plan, HMO, and a dental plan organization (carrier) to reimburse a health care provider for the cost of services performed by a qualified interpreter for an enrollee if: (1) the services are necessary because of the enrollee's hearing impairment or failure to understand or otherwise communicate in spoken language; (2) the services are used in connection with medical treatment or diagnostic consultations performed by the health care provider; and (3) the health care provider is delivering covered services to the enrollee.

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Fiscal Summary

**State Effect:** If the State chooses to include the bill's mandated benefit as part of the State Employee Health Benefits Plan, expenditures could increase by \$23,300 in FY 2001. Future year expenditures reflect annualization and inflation. Minimal general fund revenue increase from the State's 2% insurance premium tax on for-profit carriers. Minimal special fund revenue increase for the Maryland Insurance Administration from the \$125 rate and form filing fee.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Revenues	-	-	-	-	-
GF/FF/SF Exp*	\$23,300	\$31,400	\$31,700	\$32,000	\$32,300
Net Effect	(\$23,300)	(\$31,400)	(\$31,700)	(\$32,000)	(\$32,300)

Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

\*State Employee Health Benefits Plan - assumes a mix of 60% general funds, 20% special funds, and 20% federal funds; and 20% of expenditures are reimbursable through employee contributions.

**Local Effect:** Expenditures for local jurisdiction employee health benefits could increase 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. Small businesses (2-50 employees) purchase the Comprehensive Standard Health Benefit Plan (CSHBP), which is exempt from including mandated benefits in its coverage. All carriers participating in the small business market must sell the CSHBP to any small business that applies for it, but a small business may purchase riders to expand the covered services. In addition, the Maryland Health Care Commission takes mandated benefits into consideration when reevaluating the CSHBP benefit package. Small business health insurance costs may increase if carriers increase their premiums as a result of this bill. Any increase is expected to be negligible.

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## Analysis

**Current Law:** The provision of an interpreter for hearing impaired individuals is not a mandated benefit.

**State Fiscal Effect:** According to the Center for Assessment and Demographic Studies at Gallaudet University, approximately 8.6% of Americans suffer from some type of hearing loss, and 0.2% of Americans are considered deaf. Based on the percentage of deaf persons, it is estimated that 550 persons enrolled in the State plan (250,000 covered lives) are deaf and would use an interpreter when seeing a health care provider. The cost of sign language interpreters can range between \$75 and \$200 per hour. The State has both self-insured and fully-insured health plans. The State is not required to cover mandated benefits under its self-insured plans, but it has generally done so in the past.

*Self-Insured Plans.* If the State chooses to include coverage for this benefit, expenditures could increase by \$23,287 in fiscal 2001, which reflects the October 1, 2000 effective date. This estimate is based on the following facts and assumptions.

- The State plan has 250,000 covered lives.
- Approximately 46%, or 115,000, enrollees are covered under the self-insured plans.
- If 0.2% of these enrollees were deaf, approximately 230 enrollees would use an interpreter when seeing a health care provider.
- The cost of a sign language interpreter ranges from \$75 to \$200 per hour.
- The average cost of interpreter services is \$135 per hour.

*Fully-Insured Plans.* Any increase in premiums for the State's fully-insured plans is assumed to be minimal.

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### **Additional Information**

**Prior Introductions:** An identical bill, HB 1022, was introduced in the 1999 session. It received an unfavorable report from the House Economic Matters Committee.

**Cross File:** None.

**Information Source(s):** Center for Assessment and Demographic Studies at Gallaudet University, Department of Health and Mental Hygiene (Health Care Commission), Department of Budget and Management (Employee Benefits Division), Department of Legislative Services

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