

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 934 (Delegate Love. *et al.*)

Economic Matters

Emergency Room Services - Reimbursement Required

This bill requires a health insurer, nonprofit health service plan, or HMO (carrier) to reimburse a hospital emergency facility or health care practitioner the full amount of a claim as submitted, less any applicable copayments, for emergency services rendered to an enrollee.

Reimbursement must be made within 30 days after the claim was submitted to the carrier. In addition, the bill requires a carrier to collect or attempt to collect payment from an enrollee for services rendered for a medical condition that was not an emergency.

In situations where a carrier disputes the legitimacy or appropriateness of health care services rendered in a hospital emergency facility, the bill also prohibits the carrier from requesting additional medical information from the facility. Instead, the Uniform Claims Form submitted to the carrier by a hospital or health care practitioner for emergency services rendered must include the presenting symptoms of the enrollee.

The bill's requirements apply to claims for services rendered on or after October 1, 2000.

Fiscal Summary

State Effect: Potential minimal increase in expenditures for the State Employee Health Benefits Plan. 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. No effect on Medicaid.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase if carriers raise their premiums as a result of the bill's requirements. Revenues would not be affected.

Small Business Effect: Potential minimal. Expenditures for employee health benefits may increase if carriers raise their premiums as a result of the bill's requirements.

Analysis

Current Law: A carrier must reimburse a hospital or health care provider, less any applicable copayments, for: (1) medically necessary services provided to an enrollee if the carrier authorized, directed, referred, or otherwise allowed the enrollee to use the emergency facility; (2) medically necessary services that relate to the condition presented if the carrier fails to provide 24-hour access to a physician; or (3) medical screening, assessment, and stabilization services rendered to meet federal requirements.

If a carrier disputes the legitimacy or appropriateness of a claim submitted by a hospital or health care provider, the carrier may request additional medical information that describes the diagnosis, treatment, and services rendered to the enrollee.

A carrier, hospital, or health care provider may collect or attempt to collect payment from an enrollee for services rendered that are later determined not to be an emergency.

State Fiscal Effect: Currently, a carrier may deny payment for an emergency services claim if an enrollee was not authorized to receive emergency services from a particular provider under certain circumstances. Under the bill, the carrier must pay the hospital or health care provider for an emergency claim as submitted. If the carrier later determines that services rendered were not an emergency, the carrier must bill and collect payment from the enrollee for uncovered health care services. Carriers thus could incur higher costs by paying hospitals and health care providers for uncovered services. Carriers may not be able to recoup some or all of these costs by collecting payments from enrollees who received uncovered services. Any additional costs incurred by carriers would be passed on to the State Employee Health Benefits Plan as increased premiums. Any increase is expected to be minimal.

There is no fiscal impact on Medicaid, because the bill's requirements do not apply to Medicaid managed care organizations.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): CareFirst of Maryland, Department of Health and Mental Hygiene (Office of Health Care Quality, Medicaid, Maryland Health Care Commission), Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Legislative Services

Fiscal Note History: First Reader - March 15, 2000
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