

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 66 (Delegate Boutin)

Economic Matters

Health Insurance - Coverage for Hearing Aids - Children

This bill requires an insurer, nonprofit health services plan, and HMO (carrier) to provide coverage for a hearing aid for a child who is covered under the carrier's plan.

This bill applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2000. Any policy or health benefit plan in effect before October 1, 2000, must comply with the bill's provisions by October 1, 2001.

Fiscal Summary

State Effect: 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.

Local Effect: Expenditures for local jurisdiction 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.

Analysis

Current Law: Coverage for hearing aids is not a mandated benefit.

State Expenditures: No effect on State expenditures is expected because the State Employees Health Benefit Plan covers hearing aids for its enrollees every three years. In addition, Medicaid managed care organizations currently cover hearing aids for enrollees

under the age of 21.

Small Business Effect: 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.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Alexander Graham Bell Foundation, League for the Hard of Hearing, Coastal Hearing Aid Center, Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Health and Mental Hygiene (Medicaid), Department of Legislative Services

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