

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE  
Revised

House Bill 316 (Delegates Krsviak. *et al.*)

Economic Matters

---

**Health Insurance Carriers - Standing Referral to Obstetrician for Pregnancy**

---

This bill requires an insurer, nonprofit health service plan, HMO, and dental plan organization (carrier) to give a pregnant member a standing referral to an obstetrician. The carrier cannot require a written treatment plan for this type of standing referral. After the standing referral has been given to the member, the obstetrician is responsible for the primary management of the member's pregnancy, including the issuance of referrals in accordance with the carrier's policies, through the postpartum period.

---

**Fiscal Summary**

**State Effect:** Potential minimal expenditure increase 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 depending upon the current type of health care coverage offered and number of enrollees. Any increase is expected to be negligible. Revenues would not be affected.

**Small Business Effect:** Potential minimal.

---

**Analysis**

**Current Law:** A carrier that does not allow direct access to specialists must establish and implement a procedure by which a member may receive a standing referral to a specialist. To establish a standing referral, the member's primary care physician (PCP) must determine, in consultation with the specialist, that the member needs continuing care from the specialist

and that the member has a condition that is life threatening, degenerative, chronic, or disabling and therefore requires specialized medical care. The PCP, specialist, and member must develop a written treatment plan for the covered service.

**State Fiscal Effect:** Health care expenditures for the State Employee Health Benefits Plan may increase if carriers increase their premiums as a result of the bill's requirements. Carriers generally approve standing referrals to obstetricians; however, the bill requires the obstetrician to be primarily responsible for the member's health care treatment. In practice, this may require the member to go to her obstetrician for a referral to another physician for conditions unrelated to her pregnancy. Carriers may incur additional administrative expenses associated with this requirement. To the extent that carriers pass on these additional costs to the State plan, State expenditures may increase. Any increase is expected to be negligible.

**Small Business Effect:** Small businesses (two-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:** Chapter 120 of 1999 established standing referrals in certain situations.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 3, 2000  
drg/jr Revised - House Third Reader - March 28, 2000

---

Analysis by: Susan D. John

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510