

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 1016 (Delegates Hurson and Brown)

Economic Matters

Health Insurance - Discrimination - Specified Diseases or Diagnoses

This bill prohibits a health insurer, nonprofit health service plan, or HMO (carrier), unless otherwise provided by law, from imposing different copayment amounts, coinsurance, deductibles, annual maximum limits, or lifetime maximum limits on a specified disease or diagnosis than the carrier imposes for all other conditions covered under the policy or contract.

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. No effect on the State Employee Health Benefits Plan or Medicaid.

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

Small Business Effect: Potential minimal. Currently, carriers may impose higher deductibles and other cost-sharing requirements on new employees who have preexisting conditions in the small group market. Carriers may increase their premiums to offset any losses they may incur when ensuring uniform copayments, deductibles, and other cost-sharing requirements for all enrollees in the small group market. Any increase is expected to be negligible.

Analysis

Current Law: The Insurance Article provides that under the Comprehensive Standard Health Benefit Plan offered to small businesses, a carrier may impose different deductibles and cost-sharing requirements on certain new employees for preexisting conditions in amounts not exceeding 1.5 times the amount of the standard deductible and cost-sharing for other employees.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (Medicaid, Office of Health Care Quality, Community Public Health Administration, Maryland Health Care Commission), Department of Legislative Services

Fiscal Note History: First Reader - February 28, 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