

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 367 (Delegate Goldwater. *et al.*)

Environmental Matters

Health Maintenance Organizations - Patient Access to Choice of Provider

This bill requires HMOs to provide patient access for primary care services through nurse practitioners in circumstances where HMOs currently provide access through physicians. The bill also requires HMOs to designate which physicians or nurse practitioners may be classified as primary care providers, and allows patients to choose their primary care providers.

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: None.

Small Business Effect: None.

Analysis

Current Law: An HMO is required to only provide patient access to physicians. Medicaid allows nurse practitioners to function as primary care providers. Federal law allows Medicare reimbursement to nurse practitioners.

State Expenditures: The State Employee Health Benefits Plan would not be affected by the bill's requirements. The cost of an office visit with a nurse practitioner is generally lower

than an office visit with a physician. However, a nurse practitioner may not be able to treat all patients and may subsequently have to refer the patient to a physician, thus increasing costs. Because there are both cost savings and cost increases associated with visits to a nurse practitioner, health care premiums are not expected to increase as a result of this bill. Accordingly, expenditures for the State plan would not be materially affected.

Additional Information

Prior Introductions: This bill was introduced as SB 267/HB 321 in the 1999 session. SB 267 passed the Senate, but was not reported from the House Environmental Matters Committee. HB 321 was referred to interim study by the House Environmental Matters Committee. No interim report was issued.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Department of Health and Mental Hygiene (Health Care Commission, Board of Nursing, Board of Physician Quality Assurance), Department of Aging, Department of Legislative Services

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