

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

House Bill 138 (Chairman, Environmental Matters Committee)  
(Departmental - Health and Mental Hygiene)

Economic Matters

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**Maryland Health Care Commission - Modifications and Clarifications**

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This departmental bill repeals the requirement that the Maryland Health Care Commission (MHCC) develop a uniform payment system for health care practitioners and payors. The bill requires MHCC, in lieu of developing the payment system, to promote the availability of information to consumers on charges by health care practitioners and reimbursements from payors.

This bill takes effect July 1, 2000.

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**Fiscal Summary**

**State Effect:** None. There is no funding for the development and implementation of the uniform payment system in the proposed 2001 budget.

**Local Effect:** None.

**Small Business Effect:** The Department of Health and Mental Hygiene has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** MHCC is required to develop and implement a uniform payment system for health care practitioners and payors by January 1, 1999.

**Background:** Chapter 134 of 1997 (SB 97) required MHCC (formerly the Health Care Access and Cost Commission) to study and report to the Senate Finance and House Environmental Matters Committees by November 1, 1997, on the need to implement the uniform payment system (UPS). It also delayed the implementation of the UPS until January 1, 1999. After conducting market reviews, MHCC concluded that it should not proceed with the UPS because enhanced competition in the health care field is fulfilling the UPS's objective of reducing costs through better consumer information. In addition, the UPS was based on fee-for-service transactions while the industry trend has moved toward capitation.

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### **Additional Information**

**Prior Introductions:** Similar legislation to repeal the uniform payment system was introduced in the 1999 session as HB 40. Differing versions of the bill passed the House and Senate. A conference committee report passed the House but was not acted on in the Senate. In 1998, HB 272 also proposed to repeal the UPS. No action was taken by the House Environmental Matters and Economic Matters Committees. Chapter 134 of 1997 (SB 97) delayed the implementation of the UPS until January 1, 1999.

**Cross File:** SB 189 (Departmental - Health and Mental Hygiene) - Finance.

**Information Source(s):** Maryland Insurance Administration, Department of Health and Mental Hygiene (MHCC), Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2000  
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