

Department of Legislative Services  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

House Bill 969 (Delegate Klausmeier. *et al.*)

Economic Matters

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**Health Insurance - Mental Health Treatment - Authorization Procedures**

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This bill requires a health insurer or managed care system (carrier) to provide, within 24 hours of an enrollee's request for mental health treatment, either authorization or denial of the treatment. In addition, a carrier must provide a centralized referral system that will be the sole point of contact for an enrollee seeking mental health treatment, and a carrier must provide a system that follows up on requests for treatment and referrals. The bill's provisions are not applicable if an enrollee is in need of emergency treatment.

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**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 raise their premiums as a result of the bill's requirements. Revenues would not be affected.

**Small Business Effect:** Potential minimal. 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.

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## Analysis

**Current Law:** Carriers are not required to provide authorization for mental health treatment within 24 hours of an enrollee's request, nor are they required to provide a centralized referral system that is the sole point of entry for an enrollee.

**State Effect:** The mental health benefits provided by the State Employee Health Benefits Plan comply with the bill's requirements. These provisions do not apply to Medicaid.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

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