

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 599 (Senator Lawlah)

Finance

**Health Maintenance Organizations - Enrollees and Subscribers - Payments to
Nonparticipating Providers**

This bill prohibits a health care provider under written contract with an HMO from collecting or attempting to collect payment for a covered service from an HMO enrollee when the HMO is responsible for the payment to the health care provider. A health care provider may still collect or attempt to collect any copayment or coinsurance owed by the enrollee or any payment or charges for services not covered under the enrollee's contract. In addition, the bill provides that an enrollee may privately contract with a health care provider who is not under contract with the enrollee's HMO.

Fiscal Summary

State Effect: Any additional complaints received by the Maryland Insurance Administration as a result of the bill's requirements could be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: Potential minimal. Health care providers who render services to an HMO enrollee, and who are non-participating providers with the HMO, may balance bill the enrollee for charges not covered by the HMO.

Analysis

Current Law: A health care provider may not collect or attempt to collect payment from an HMO enrollee for covered services. This prohibition applies to providers with contracts with a particular HMO as well as to providers without contracts. A health care provider is prohibited from “balance billing” an HMO enrollee for any money the provider cannot collect from the enrollee’s HMO.

Background: The bill narrows the prohibition against balance billing to apply only to a health care provider who is under written contract with an HMO. Non-participating providers would no longer be prohibited from balance billing HMO enrollees and would be able to collect additional money from them. Conversely, HMO members would no longer be protected from balance billing by a non-participating provider and could be liable for additional charges.

State Effect: The bill could result in additional complaints from consumers who receive bills from health care providers. Any resulting workload could be handled with existing Maryland Insurance Administration resources. Revenues would not be affected.

Additional Information

Prior Introductions: Similar bills, HB 676 and SB 520, were introduced in the 1999 session. HB 676 passed the House with amendments. The Senate Finance Committee issued an unfavorable report on SB 520.

Cross File: None.

Information Source(s): Department of Budget and Management (Employee Benefits Division), Department of Legislative Services

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