

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE****Revised**

House Bill 1448 (Delegate Malone)

Economic Matters

Finance

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**Medicare Supplement Policies - Medicare Select Program**

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This bill permits a health insurance carrier to issue a Medicare Select supplemental policy in the State which must conform to federal law requirements. The Department of Health and Mental Hygiene (DHMH) will determine the adequacy of the health care provider network established by the carrier under the Medicare Select program with respect to the number of providers, geographic location, hours of operation, promptness of service, and range of services, in the same manner as determined for an HMO. The Insurance Commissioner may adopt regulations, in consultation with DHMH, to establish Medicare Select program requirements.

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**Fiscal Summary**

**State Effect:** Review and approval of Medicare Select provider networks could be handled with existing DHMH budgeted resources. Minimal special fund revenue increase for the Maryland Insurance Administration (MIA) from the \$125 rate and form filing fee. Any additional provider contracts filed with MIA could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Medicare Select policies were approved by the federal Health Care Finance Administration (HCFA) in 1995.

**Background:** Medicare Select is a supplemental health insurance policy that resembles a preferred provider organization (PPO) in form and function. Authorized by HCFA in 1995 for all 50 states, Medicare Select lowers the cost of Medicare supplement plans through the use of network hospitals and health care providers. A Medicare beneficiary who purchases a Medicare Select policy must use network hospitals for all inpatient services and network health care providers for all outpatient services. A Medicare beneficiary may receive emergency treatment at any hospital.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – March 16, 2001  
mld/cer Revised – Enrolled Bill – April 26, 2001

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