

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 626
Finance

(Senator Dorman)

Health Maintenance Organizations - Mental Health Care Services

This bill requires an HMO to have the same patient referral process for consultation or specialty services for mental health services as it does for physical illnesses. The patient referral process cannot limit access to services by requiring the enrollee to see or obtain approval of a provider other than the patient's primary care provider, unless that requirement is also present for referral for physical illnesses.

Fiscal Summary

State Effect: Minimal special fund revenue increase in FY 2003 from the Maryland Insurance Administration's (MIA) \$125 rate and form filing fee. Potential minimal expenditure increase for the State Employee Health Benefits Plan beginning in FY 2003.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase by an indeterminate amount depending upon the current type of health care coverage offered and number of enrollees. Revenues would not be affected.

Small Business Effect: Potential minimal. Small business health insurance costs may increase if carriers increase their premiums as a result of this bill. Any increase is assumed to be minimal.

Analysis

Current Law: In general, an insurer, nonprofit health service plan, and HMO (carrier) must provide coverage for mental health services on the same terms and conditions as

coverage for physical illnesses. Mental health benefits may be provided through a carrier's managed care system.

State Fiscal Effect: The State Employee Health Benefits Plan offers mental health benefits in conjunction with its medical plans, which include preferred provider options (PPOs), point-of-service (POS) plans, and HMOs. To the extent the bill's requirements erode an HMO's ability to contain costs associated with the provision of mental health benefits, State plan expenditures could increase. Any increase is expected to be minimal.

State plan expenditures assume a fund mix of 60% general funds, 20% federal funds, and 20% special funds; and 20% of expenditures are reimbursable through employee contributions.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mam/jr

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