

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 807
Economic Matters

(Delegates Donoghue and Krysiak)

Health Insurance - Required Reimbursement - Podiatrists

This bill provides that if a health insurer, nonprofit health service plan, or HMO (carrier) reimburses for a service that is within the lawful scope of practice of a licensed podiatrist, the carrier must reimburse for this service at the same rate regardless of whether the service is performed by a physician or a licensed podiatrist.

The bill's requirements apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2002.

Fiscal Summary

State Effect: Potential minimal expenditure increase for the State Employee Health Benefits Plan. Potential 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.

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.

Analysis

Current Law: If a health insurance policy provides for reimbursement for a service that is within the lawful scope of the practice of a licensed podiatrist, the insured is entitled to

reimbursement for the service regardless of whether the service is performed by a physician or licensed podiatrist. Reimbursement is not required at the same rate, however. This provision only applies to health insurers.

State Effect: State Employee Health Benefits Plan expenditures could increase, beginning in fiscal 2003. To the extent that carriers' costs increase and pass these increases onto the State plan as higher premiums, State plan expenditures could increase as well. Any increase is expected to be negligible. 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.

Small Business Effect: Expenditures for small business employee health benefits could increase if carriers increase their premiums as a result of the bill. Any increase is expected to be negligible. Licensed podiatrists could experience an increase in revenues since they would be entitled to the same amount of payment for a particular service as a physician.

Additional Information

Prior Introductions: None.

Cross File: SB 274 (Senator Dorman, *et al.*) – Finance.

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

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