

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

House Bill 894 (Delegate Hubbard)

Health and Government Operations

Finance

Health Insurance - Reimbursement for Provider Services - Professional Counselors and Therapists

This bill requires that if an insurance policy, contract, or certificate awarded by an insurer or a nonprofit health service plan provides for reimbursement of a service that is within the lawful scope of practice of a licensed clinical professional counselor, licensed clinical marriage and family therapist, or licensed clinical alcohol and drug counselor, the insured or any other covered person is entitled to reimbursement for the service.

Fiscal Summary

State Effect: Special fund revenues could increase in FY 2004 due to filing fees with the Maryland Insurance Administration (MIA). This bill could also increase general fund expenditures for the Alcohol and Drug Abuse Administration (ADAA). State Employee and Retiree Health and Welfare Benefits Plan expenditures could increase.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
SF Revenue	-	-	-	-	-
GF/SF/FF Exp.	-	-	-	-	-
Net Effect	\$0	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: Reimbursement for these services is not required unless an insurance policy, contract, or certificate expressly provides for such reimbursement. The provisions of law that govern the certification and regulation of these licensees may not be construed to entitle the insured to reimbursement of these services.

Background: Current law has been interpreted by some carriers to mean services provided by licensed clinical counselors and therapists are not covered unless a policy expressly includes these types of providers. The bill's provisions clarify current law by specifying that required coverage and reimbursement relate to a particular service rather than the type of provider offering the service.

State Fiscal Effect: MIA notes that some policy forms written by insurers and nonprofit health service providers would need to be amended. Fees for amended policy forms are \$125 each. MIA is unable to estimate the aggregate impact of this bill on revenues.

The Department of Health and Mental Hygiene (DHMH) indicates that there will be no direct fiscal impact from this bill. DHMH indicates that current recipients of services provided by ADAA may switch to private practice. Since ADAA recovers some costs of providing services on a sliding scale, the department indicates that losing clients with some income would result in ADAA slots being filled with clients of lower-income, and the State would then pay a greater share of the services provided.

The State Employee and Retiree Health and Welfare Benefits Plan provides coverage for State members enrolled in the PPO and POS plans through a carve-out Mental Health Administrator, APS Healthcare (APS). The benefits for mental health and substance abuse for PPO and POS members administered by APS are self-insured by the State. To the extent carrier costs increase and the carrier passes the increase on to the State, State health plan expenditures could increase.

Small Business Impact: Small businesses that offer insurance to employees may face increased premiums due to insurers passing along the costs of covered services.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, CareFirst Blue Cross/Blue Shield, Maryland Insurance Administration, Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2003
ncs/jr

Analysis by: Daniel P. Tompkins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510