

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 687

(Senator Hollinger, *et al.*)

Finance

Health and Government Operations

Health Maintenance Organizations - Patient Access to Choice of Provider

This bill requires an HMO to permit an enrollee to select a certified nurse practitioner as the enrollee's primary care provider (PCP) if: (1) the certified nurse practitioner provides services at the same location as the certified nurse practitioner's collaborating physician; and (2) the collaborating physician provides the continuing medical management required. An enrollee who selects a certified nurse practitioner as a PCP must be provided the name and contact information of the collaborating physician. The bill's provisions may not be construed to require that an HMO include certified nurse practitioners on the HMO's provider panel as PCPs.

Fiscal Summary

State Effect: Minimal special fund revenue increase for the Maryland Insurance Administration from the \$125 form filing fee in FY 2004 only. No effect on the State Employee and Retiree Health and Welfare Benefits Plan or Medicaid.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Nurse practitioners may not be an HMO enrollee's primary care provider. An HMO must assure that each member who is seen for a medical complaint is evaluated under the direction of a physician. An HMO must allow each enrollee to select a primary physician from among those available to the HMO. Medicaid allows nurse practitioners

to function as primary care providers. Federal law allows Medicare reimbursement to nurse practitioners.

State Fiscal Effect: The State Employee and Retiree Health and Welfare Benefits Plan (State health plan) would not be affected by the bill's requirements. The cost of an office visit with a nurse practitioner is generally lower than an office visit with a physician. However, a nurse practitioner may not be able to treat all patients and may subsequently have to refer the patient to a physician, thus increasing costs. Because there are both cost savings and cost increases associated with visits to a nurse practitioner, health care premiums are not expected to increase as a result of this bill. Accordingly, expenditures for the State health plan would not be materially affected.

Additional Information

Prior Introductions: A similar bill, HB 473, was introduced in 2001. It was passed by both chambers, but was vetoed by the Governor. A similar bill, HB 367, was introduced in the 2000 session but was not reported by the House Environmental Matters Committee. A similar bill was also introduced as SB 267/HB 321 in the 1999 session. SB 267 passed the Senate, but was not reported from the House Environmental Matters Committee. HB 321 was referred to interim study by the House Environmental Matters Committee. No interim report was issued.

Cross File: HB 974 (Delegate Goldwater, *et al.*) – Health and Government Operations.

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

Fiscal Note History: First Reader - March 7, 2003
ncs/jr

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