

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 238 (Delegate Donoghue, *et al.*)
Health and Government Operations

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, 2003.

Fiscal Summary

State Effect: Potential minimal general fund revenue increase from the State's 2% insurance premium tax on for-profit carriers, beginning FY 2004. Minimal special fund revenue increase for the Maryland Insurance Administration from the \$125 rate and form filing fee in FY 2004 only. No effect on the State Employee and Retiree Health and Welfare Benefits Program.

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 and Retiree Health and Welfare Benefits Program (State health plan) expenditures would not be affected. The State health plan's two carriers that cover almost 90% of all State enrollees calculate reimbursements to providers by current procedural terminology (CPT) procedure code and not by the type of provider. The bill's requirements would not change State health plan carriers' existing reimbursement methodology and therefore have no impact on the State health plan.

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: Identical bills, HB 807 and SB 274, were introduced in the 2002 session. HB 807 was reported unfavorably by the House Economic Matters Committee. SB 274 passed the Senate. No action was taken on SB 274 by the House Economic Matters Committee.

Cross File: SB 150 (Senator Kelley, *et al.*) – Finance.

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

Fiscal Note History: First Reader - February 5, 2003
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