

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 428 (Delegates Nathan-Pulliam and Patterson)
Health and Government Operations

Health Insurance - Kidney Dialysis Services - Coinsurance Payments

This bill requires a health insurer, nonprofit health service plan, or HMO (carrier) to collect only one coinsurance payment amount in a three-month period for kidney dialysis services provided in a kidney dialysis center to an individual with chronic kidney disease.

The bill's provisions apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2003. Any policy, contract, or health benefit plan in effect before October 1, 2003 must comply with the provisions no later than October 1, 2004.

Fiscal Summary

State Effect: No effect on the State Employee and Retiree Health and Welfare Benefit Plan (State health plan) in FY 2004. Minimal general fund revenue increase from the 2% premium tax imposed on for-profit carriers, beginning in FY 2004. Minimal special fund revenue increase for the Maryland Insurance Administration from the \$125 form filing fee in FY 2004.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase depending upon the current type of health care coverage offered and number of enrollees. Any increase is expected to be negligible. Revenues would not be affected.

Small Business Effect: Potential minimal. Small businesses (50 employees or fewer) purchase the Comprehensive Standard Health Benefit Plan (CSHBP), which is exempt from including mandated benefits in its coverage. To the extent coverage for this benefit is offered, small business expenditures could increase.

Analysis

Current Law: There is no mandated benefit for dialysis copayments or coinsurance.

Background: There are a variety of insurance options for individuals who receive dialysis. Medicare covers individuals, regardless of age, diagnosed with End-Stage Renal Disease (ESRD), which is permanent kidney failure requiring dialysis or a kidney transplant. Dialysis is a medical procedure that cleans a patient's blood of harmful wastes and extra salt and fluids that the kidneys can no longer regulate. Dialysis is generally performed three times a week for four-hour periods. It can be performed at home or in a medical facility. Inpatient dialysis treatments at a hospital are covered under Medicare Part A, and outpatient dialysis treatments received in any Medicare-approved dialysis facility, home dialysis, and most other dialysis services and supplies are covered under Medicare Part B. In general, Medicare Part B covers 80% of the cost for dialysis treatments and the patient is responsible for paying the remaining 20%. There are approximately 3,500 Medicare-approved dialysis facilities in the United States.

In Maryland, Medicaid covers eligible individuals (Qualified Medicare Beneficiaries or QMBs) enrolled in Medicare and pays Medicare premiums as well as Medicare's required copayments and deductibles. To be eligible for Medicaid coverage in this situation, an individual must earn less than 100% of the federal poverty guideline (FPG) level. Maryland also has the Kidney Disease Program (KDP), which provides reimbursement for approved services required as a direct result of ESRD for certain patients. Based upon financial information provided by a patient, KDP may assess an annual program participation fee. KDP covers Medicare copayments and deductibles, as well as other related expenses. Employer-based health insurance, the Maryland Health Insurance Plan, and other private insurance options also may assist patients in paying required deductibles and copayments.

State Fiscal Effect: The bill's requirements would have no effect on the State health plan. The medical plans offered under the State health plan do not require coinsurance payments from enrollees because the plans treat kidney dialysis as an outpatient hospital procedure.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): *National Kidney and Urologic Diseases Information Clearinghouse, NIH Publication No. 01-3925*, April 2001; Department of Health and Mental Hygiene; Maryland Insurance Administration; Department of Budget and Management; Department of Legislative Services

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