

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 868

(Senator Middleton)

Finance

Health and Government Operations

Health Insurance - Treatment of Morbid Obesity

This bill clarifies that a health insurer, nonprofit health service plan, or HMO (carrier) must cover the surgical treatment of morbid obesity that is recognized by the National Institutes of Health (NIH) as effective for the long-term reversal of morbid obesity and consisted with guidelines approved by NIH.

The bill also creates the Task Force to Study Utilization Review of the Surgical Treatment of Morbid Obesity.

The bill takes effect June 1, 2004 and terminates May 31, 2005.

Fiscal Summary

State Effect: Staffing the task force could be handled with existing Maryland Health Care Commission (MHCC) budget resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force is comprised of members from the private sector, including hospital representatives, HMO representatives, physicians, one consumer, and one representative of MHCC. The task force must: (1) review utilization review procedures currently used by health insurance carriers that provide surgical treatment for

morbid obesity; (2) review NIH guidelines and any other nationally recognized guidelines or criteria for the surgical treatment of morbid obesity; and (3) recommend a set of guidelines or criteria that are appropriate for the utilization review of the surgical treatment and reasonable procedures for documenting patient compliance with the guidelines or criteria. The task force must report its findings and recommendations to the Senate Finance Committee and the House Health and Government Operations Committee by December 1, 2004.

The Maryland Insurance Administration (MIA) must report by December 15, 2004 on: (1) the number of complaints filed with MIA relating to the denial of coverage for the surgical treatment of morbid obesity; (2) the health insurance carrier that denied coverage and the reason given for the denial; and (3) whether MIA upheld or reversed the denial of coverage and the basis of the decision.

Current Law: A carrier must provide coverage for the treatment of morbid obesity through gastric bypass surgery or another surgical method that is (1) recognized by NIH as effective for the long-term reversal of morbid obesity; and (2) consistent with criteria approved by NIH. Item 2 is repealed by this bill.

Background: According to NIH guidelines, surgery is one option for weight reduction for some patients with severe and resistant obesity. The aim of surgery is to modify the gastrointestinal tract to reduce net food intake. Most authorities agree that weight loss surgery should be reserved for patients with severe obesity, in whom efforts at other therapy have failed, and who are suffering from the complications of obesity.

NIH guidelines on surgery for severe obesity specify that surgery may be indicated for patients whose body mass index (BMI) equals or exceeds 40 kg/m² if they strongly desire substantial weight loss, because obesity severely impairs the quality of their lives. Less severe obese patients (BMIs between 35 and 39.9 kg/m²) also may be considered for surgery. This group primarily includes those patients with high-risk comorbid conditions (cardiovascular, sleep apnea, uncontrolled type 2 diabetes) or weight-induced physical problems interfering with performance of daily life activities. NIH indicates that weight loss surgery is an option for carefully selected patients with clinically severe obesity when less invasive methods of weight loss have failed and the patient is at high risk for obesity-associated morbidity or mortality.

State Fiscal Effect: Although the bill is silent on providing staffing for the task force, it is assumed MHCC would do so since it is the only State entity represented. Staffing could be handled with existing MHCC resources.

Additional Information

Prior Introductions: None.

Cross File: HB 1410 (Delegate Donoghue, *et al.*) – Health and Government Operations.

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

Fiscal Note History: First Reader - March 11, 2004
ncs/jr Revised - Senate Third Reader - April 7, 2004
Revised - Enrolled Bill - April 26, 2004

Analysis by: Susan D. John

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