

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 772

(Senator Lawlah)

Finance

Health and Government Operations

Health Insurance - Substance Abuse Treatment - Copayments

This emergency bill prohibits a health insurer, nonprofit health service plan, or HMO (carrier) from charging a copayment that is greater than 50% of the daily cost for methadone maintenance treatment.

The bill applies to health insurance policies, contracts, and certificates that are delivered, issued, or renewed in the State on or after the bill's effective date.

Fiscal Summary

State Effect: No effect on the State Employee and Retiree Health and Welfare Benefit Plan, since its copayment for methadone treatment meets the bill's requirements. Minimal special fund revenue increase for the Maryland Insurance Administration from the \$125 rate and form filing fee in FY 2006 only. Minimal general fund revenue increase from the State's 2% insurance premium tax on for-profit carriers, beginning in FY 2006, if premiums increase.

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 minimal. Revenues would not be affected.

Small Business Effect: None.

Analysis

Current Law: Maryland's mental health mandate requires carriers to provide coverage for mental health (including substance abuse) services on the same terms as physical illness. A policy cannot discriminate against an individual with a mental illness or other disorder by failing to provide benefits for the diagnosis and treatment of these illnesses under the same terms and conditions that apply under a policy for the diagnosis and treatment of physical illnesses. Any copayments required for benefits for mental health or substance abuse treatment must be actuarially equivalent to any mental health mandate coinsurance requirements, or where there are no coinsurance requirements, the copayment cannot be any greater than a copayment required for treatment for a physical illness.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (Medicaid, Maryland Health Care Commission, Alcohol and Drug Abuse Administration), Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Legislative Services

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