

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 333

(Senator Middleton, *et al.*)

Finance

Health and Government Operations

Health Insurance - Treatment of Morbid Obesity

This bill repeals the May 31, 2005 termination date on the (1) mandated health benefit for the coverage of the surgical treatment of morbid obesity; and (2) Task Force to Study Utilization Review of the Surgical Treatment of Morbid Obesity. It also broadens the scope of information sources the task force must review to include any literature on the surgical treatment of morbid obesity. The task force must report its findings to specified committees by December 1, 2007. The Maryland Insurance Administration (MIA) and Maryland Health Care Commission (MHCC) must staff the task force, and MIA must adopt regulations relating to utilization review of primary bariatric surgery.

The bill takes effect June 1, 2005.

Fiscal Summary

State Effect: Staffing the task force and adopting regulations could be handled with existing MIA and MHCC budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A health insurer, nonprofit health service plan, and HMO (carrier) must cover surgical treatment for morbid obesity if the treatment is recognized by the National Institutes of Health (NIH) and consistent with NIH guidelines.

The task force must: (1) review utilization review procedures currently used by health insurance carriers that provide surgical treatment for morbid obesity (repealed by the bill); (2) review NIH guidelines and any other nationally recognized guidelines or criteria for the surgical treatment of morbid obesity (repealed by the bill); and (3) recommend a set of guidelines or criteria that are appropriate for the utilization review of the surgical treatment and reasonable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 and mandated health benefit terminate May 31, 2005. Chapter 486 of 2004, which created the task force, did not specify any staff support provisions.

Background: Chapter 486 of 2004 created the Task Force to Study Utilization Review of the Surgical Treatment of Morbid Obesity. The task force issued a report in November 2004 which, among other recommendations, suggested that the General Assembly: (1) authorize the task force to convene at least on an annual basis for at least the next three years to review the current literature and make recommendations as appropriate regarding utilization review; and (2) provide staffing for the task force from MIA.

Additional Information

Prior Introductions: None.

Cross File: HB 462 (Delegate Goldwater, *et al.*) – Health and Government Operations.

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

Fiscal Note History: First Reader - February 21, 2005
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