

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

House Bill 1497

(Delegates Benson and Nathan-Pulliam)

Health and Government Operations

Finance

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**Health Insurance - Coverage for Services Following a Mastectomy or Surgical  
Removal of a Testicle**

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This bill repeals the September 30, 2006 termination date on the provision of law that requires mandated benefits for a patient who has a mastectomy or the surgical removal of a testicle. In addition, it requires the Maryland Health Care Commission (MHCC) to assess the social, medical, and financial impacts of requiring health insurance carriers to provide coverage for the cost of inpatient hospitalization services and medical complications related to a mastectomy or surgical removal of a testicle. MHCC must report by January 1, 2007 to the General Assembly on the results of its assessment.

The bill takes effect July 1, 2006.

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**Fiscal Summary**

**State Effect:** MHCC could conduct the assessment using existing budgeted resources. State Employee and Retiree Health and Welfare Benefits Program expenditures to cover the mandated benefit would continue beyond September 30, 2006. Although the number of visits covered by the State is unknown, the State pays about \$125 for each “standard home health care visit.” No effect on Medicaid, which is not subject to this mandated benefit. No effect on revenues.

**Local Effect:** To the extent local governments cover the mandated benefit, local government expenditures would continue beyond September 30, 2006. No effect on revenues.

**Small Business Effect:** Potential minimal. Small businesses (2 to 50 employees) purchase the Comprehensive Standard Health Benefit Plan, which is exempt from

including mandated benefits in its coverage. To the extent coverage for this benefit is offered, small business expenditures would continue beyond September 30, 2006.

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## Analysis

**Current Law:** For a patient who receives fewer than 48 hours of inpatient hospitalization following a mastectomy or the surgical removal of a testicle, or who undergoes a mastectomy or surgical removal of a testicle on an outpatient basis, a carrier must provide coverage for: (1) one home visit scheduled to occur within 24 hours after discharge from the hospital or outpatient health care facility; and (2) an additional home visit if prescribed by the patient's attending physician. Each carrier subject to this section must provide notice annually to its enrollees about the required coverage.

**Background:** The number of outpatient mastectomies has been increasing in recent years. Several factors have contributed to this trend, including advances in medical surgical techniques. One significant factor is the type of health insurance coverage a patient has. A 2001 study noted that while clinical factors were important, insurance coverage influenced whether a complete mastectomy was followed by a hospital stay. Among Medicaid patients, 97% were kept in the hospital after their surgery, while 94% of Medicare patients stayed in the hospital. By comparison, 89% of HMO patients were kept in the hospital.

Several studies have examined the quality of outcomes for outpatient vs. inpatient mastectomies. While most studies found no difference in outcomes, one conducted in 2000 found that breast cancer patients who undergo outpatient surgery report faster recovery and better psychological adjustment than those who undergo inpatient surgery. Patients who spent that first night in the hospital reported it took an average of 27 days to feel they had recovered from surgery, about 10 days longer than the outpatient group. Returning to usual activities took about 6 weeks for inpatients, about 11 days longer than for outpatients.

While outpatient outcomes tend to be quite favorable, many HMOs and other types of managed care plans took these outcomes as license to cover only outpatient surgery, regardless of clinical factors. Some carriers that mandate outpatient surgery have used savings to provide more extended care at home.

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## **Additional Information**

**Prior Introductions:** A similar bill, SB 39 of 2003 (Chapter 59 of 2003), extended the termination date from September 30, 2003 to September 30, 2006.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Budget and Management, Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2006  
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