

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 815

(Delegate Tarrant, *et al.*)

Health and Government Operations

Finance

**Health Insurance - Reimbursement of Health Care Practitioners - Information
Provided by Carriers**

This bill requires insurers, nonprofit health service plans, HMOs, and dental plan organizations (carriers) to make the pharmaceutical formulary used by the carrier available to a health care practitioner electronically, unless a written copy is requested in writing. The bill also specifies the manner in which certain information must be provided to health care practitioners and increases from 20 to 50 the number of services that a carrier must include on the schedule of applicable fees for the most common services billed by a practitioner.

Fiscal Summary

State Effect: To the extent that health care practitioner complaints increase, Maryland Insurance Administration special fund expenditures could increase beginning in FY 2009. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A carrier must provide a health care practitioner with a written copy of

- a schedule of applicable fees for up to the 20 most common services billed by a health care practitioner in that specialty;
- a description of the coding guidelines used by the carrier that are applicable to the services billed by a practitioner in that specialty; and

- the information about the practitioner and the methodology used by the carrier to determine whether to increase or reduce the practitioner's level of reimbursement and provide a bonus or other incentive-based compensation. This information must be provided at the time of contract execution, 30 days prior to a change, and upon request of the health care practitioner. These requirements do not apply to Medicaid managed care organizations.

State Expenditures: To the extent that health care practitioner complaints increase under the bill, MIA special fund expenditures could increase beginning in fiscal 2009 to handle such complaints. Any increase cannot be reliably estimated but is anticipated to be minimal. To the extent additional resources are needed, they could be requested through the annual budget process.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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