

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 1031

(Senator Middleton)

Finance

Health and Government Operations

Health Insurance - Surgical Treatment of Morbid Obesity - Repeal of Reporting Requirement

This bill repeals the requirement for the Maryland Insurance Administration (MIA) to annually report on complaints regarding the denial of coverage for the surgical treatment of morbid obesity.

Fiscal Summary

State Effect: The bill does not materially impact governmental finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A health insurer, nonprofit health service plan, and health maintenance organization (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. Benefits must be provided to the same extent as for other medically necessary surgical procedures under the enrollee's or insured's contract.

Chapter 486 of 2004, as amended by Chapter 301 of 2005, requires MIA to report annually 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.

Background: MIA's last two annual reports recommended that, since all regulated markets now mandate this coverage and complaints seem to be limited to nonjurisdictional cases, the reporting requirement should be eliminated.

Every four years, the Maryland Health Care Commission (MHCC) examines the fiscal impact of mandated health insurance benefits. In 2008, MHCC found that these benefits account for 15.4% of total premium costs for group health insurance. Morbid obesity treatment accounts for 0.8% of total premium costs for group health insurance.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - March 15, 2010
mlm/mwc

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