

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1086

(Delegate Martinez, *et al.*)

Health and Government Operations

Finance

Maryland Medical Assistance Program and Health Insurance - Coverage for
Anesthesia - Prohibiting Time Limitations

This bill establishes requirements for certain insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers), as well as Medicaid, regarding coverage for anesthesia. If anesthesia is covered for a procedure for which a licensed provider issues an order, a carrier or Medicaid must cover (1) the delivery of anesthesia for the entire duration of the procedure and (2) medical care related to the delivery of anesthesia for the procedure that is provided immediately before and after the procedure. A carrier or Medicaid may not establish, implement, or enforce a policy, practice, or procedure that places time limitations on the delivery of anesthesia. **The bill takes effect January 1, 2026, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: Medicaid expenditures increase by an indeterminate but minimal amount (50% general funds, 50% federal funds) beginning in FY 2026, as discussed below; federal fund revenues increase accordingly. No impact on the Maryland Insurance Administration or the State Employee and Retiree Health and Welfare Benefits Program.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Under Maryland law, there are more than 50 mandated health insurance benefits that specified carriers must provide to their enrollees. The federal Patient

Protection and Affordable Care Act requires nongrandfathered health plans to cover 10 essential health benefits (EHBs), which include items and services in the following categories: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services, including behavioral health treatment; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services, including dental and vision care.

Under § 31-116 of the Maryland Insurance Article, EHBs must be included in the State benchmark plan and, notwithstanding any other benefits mandated by State law, must be the benefits required in (1) all individual health benefit plans and health benefit plans offered to small employers (except for grandfathered health plans) offered outside the Maryland Health Benefit Exchange (MHBE) and (2) all qualified health plans offered in MHBE. Maryland's State benchmark plan includes coverage for anesthesia.

State Expenditures: The Maryland Department of Health (MDH) advises that the bill has an indeterminate, but minimal fiscal impact on Medicaid as Medicaid's existing policies on anesthesia coverage and administration largely align with the bill's requirements. However, Medicaid currently covers both dental anesthesia codes D9222 (deep anesthesia/general anesthesia – first 15 minutes) and D9223 (deep anesthesia/general anesthesia – each 15 minutes), with a limitation of six units or 90 minutes on D9223. According to an analysis conducted by MDH's dental administrative services organization, coverage of six units allows for more than adequate time for any general oral surgery procedure, and billing for more than six units does not align with the standard of care. As such, eliminating the unit limit for D9223 is expected to have an indeterminate, but minimal impact on billing.

MDH further advises that the bill does not prevent standard utilization management processes to monitor for fraud, waste, and abuse, which are expected to mitigate any fiscal impact in the event that providers submit fraudulent claims.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

Fiscal Note History:
km/ljm

First Reader - March 5, 2025

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