



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

March 28, 2024

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: Senate Bill 614 – Maryland Medical Assistance Program and Health Insurance – Coverage for Prostheses (So Every Body Can Move Act) – Letter of Information

Dear Chair Beidle and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of information for Senate Bill (SB) 614 – Maryland Medical Assistance Program and Health Insurance – Coverage for Prostheses.

SB 614 will result in a fiscal impact of \$16.2 million in total funds (\$8.12 million in state general funds, \$8.12 million in federal funds) over five (5) years from fiscal year (FY) 2025 through FY 2029.

As amended, SB 614 requires the Department to cover once annually prostheses, components of prosthesis, repairs of prosthesis, and replacements of prosthesis or prosthesis components if certain conditions apply. Prostheses must be covered when medically necessary for completing activities of daily living, essential job activities, and performing physical activities including: running, biking, swimming, strength training and other activities to maximize the ‘whole-body health’ and lower or upper limb function of the enrollee. These requirements would take effect on January 1, 2025.

Annually, an average of 1,000 Medical Assistance participants have claims or encounters for durable medical equipment (DME) with an associated limb loss diagnosis. Implementing the provisions of SB 614 will have a fiscal impact associated with the enhanced ‘whole-body health’ prostheses benefits. Assuming an uptake rate of 30% and an average cost of \$11,250 per person, there will be a fiscal impact of \$1.68 million total funds (\$843,000 state general funds, \$843,000 federal funds) in FY 2025, reflecting a half year cost.

As amended, SB 614 would no longer require that Managed Care Organizations (MCOs) cover Healthcare Common Procedure Coding System (HCPCS) “L” codes for prosthetics and devices other than those already covered as of December 31, 2024. On or before June 30, 2030, each MCO shall report to the Department on its compliance with the Insurance Article for calendar

years 2025 through 2028. The Department and Maryland Insurance Administration (MIA) must submit a joint report to the General Assembly by December 31, 2030.

Additionally, as amended SB 614 requires that the Maryland Health Care Commission (MHCC) and the Department, in consultation with the MIA, to review the utilization of “L” codes and related codes within the All-Payer Claims Database and evaluate the cost impact of requiring coverage for orthoses, including medically necessary activity-specific orthoses. On or before December 1, 2024, MHCC and the Department are to report their findings to the Senate Finance Committee, the Senate Budget and Taxation Committee, the House Health and Government Operations Committee, and the House Appropriations Committee.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at sarah.case-herron@maryland.gov or (410) 260-3190.

Sincerely,

A handwritten signature in blue ink, appearing to read "Laura Herrera Scott".

Laura Herrera Scott, M.D., M.P.H.
Secretary