

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 63 (Delegate Conaway)  
Health and Government Operations

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Health Care Practitioners - Cost Estimate Notice - Required

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This bill requires a health care practitioner to provide information to an individual (or the parent or guardian of a minor) about the cost of the health care service that the practitioner will provide prior to performing the service for the individual. A health care practitioner must provide, in writing, (1) an estimate of the cost of the health care service; (2) the amount, if any, that will be paid by the individual's health insurance carrier; and (3) the difference, if any, that the individual or other responsible party would be required to pay for the health care service. The bill does not apply to emergency health care services.

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Fiscal Summary

**State Effect:** The bill does not directly affect governmental operations or finances.

**Local Effect:** Minimal operational impact on local health departments (LHDs) to provide a cost estimate prior to providing a health care service. However, LHDs already routinely determine billing information at intake.

**Small Business Effect:** Meaningful operational and fiscal impact for health care practitioners to the extent such notice is not already provided.

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Analysis

**Current Law:** "Health care practitioner" means a person who is licensed, certified, or otherwise authorized under the Health Occupations Article to provide health care services in the ordinary course of business or practice of a profession.

Under § 14-205.3 of the Insurance Article, if a physician (excluding an on-call or hospital-based physician) who is a nonpreferred provider seeks an assignment of benefits from an insured, the physician must, prior to performing a health care service, provide the following to the insured: (1) a statement informing the insured that the physician is a nonpreferred provider; (2) a statement that the physician may charge the insured for noncovered services; (3) a statement that the physician may charge the insured the balance of the bill for covered services; (4) an estimate of the cost of services that the physician will provide; (5) any terms of payment; and (6) whether interest will apply and, if so, how much.

**Background:** According to the National Conference of State Legislatures, several states have enacted legal requirements and initiated programs that aim to enhance health care price transparency. For example, Massachusetts requires a health care provider, prior to an admission, procedure, or service (and upon request by a patient), to disclose the allowed amount or charge of the admission, procedure, or service within two working days. If a health care provider is unable to quote a specific amount in advance due to the health care provider's inability to predict the specific treatment or diagnostic code, the health care provider must disclose the estimated maximum allowed amount or charge.

Legislation was enacted in Ohio (with an effective date of January 1, 2017) that requires health care providers to provide reasonable, good-faith cost estimates for nonemergent health care services. Implementation of the law has been delayed due to a pending lawsuit brought by multiple state health care provider associations based on concerns that the bill could delay patient care.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** National Conference of State Legislatures; Maryland Association of County Health Officers; Department of Health and Mental Hygiene; Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2017  
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