

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 656

(Senator Benson, *et al.*)

Finance

Health and Government Operations

**Health Insurance - Coverage for Elevated or Impaired Blood Glucose Levels,
Prediabetes, and Obesity Treatment**

This bill expands the current health insurance mandate for coverage of medically appropriate and necessary diabetes equipment, supplies, and outpatient self-management training and educational services to apply to the treatment of (1) *impaired* blood glucose levels induced by pregnancy and (2) consistent with the American Diabetes Association's standards, elevated or impaired blood glucose levels induced by prediabetes. The bill also authorizes specified reimbursement of services rendered by a licensed dietician or nutritionist for the treatment of prediabetes and obesity. **The bill takes effect January 1, 2019, 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: Minimal special fund revenue increase for the Maryland Insurance Administration (MIA) from the \$125 rate and form filing fee in FY 2019. Review of filings can likely be handled with existing MIA resources. Any impact on the State Employee and Retiree Health and Welfare Benefits Program is likely minimal as discussed below.

Local Effect: Indeterminate increase in health insurance costs for those local governments that purchase fully insured plans to the extent coverage is not already included. No effect on revenues.

Small Business Effect: None. The bill does not apply to health benefit plans sold in the small group market.

Analysis

Current Law: Under Maryland law, there are 49 mandated health insurance benefits that certain insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) must provide to their enrollees. This includes coverage for all medically appropriate and necessary diabetes equipment, supplies, and outpatient self-management training and educational services, including medical nutrition therapy that an insured's or enrollee's licensed health care provider (or a physician who specializes in the treatment of diabetes) certifies are necessary for the treatment of (1) insulin-using diabetes; (2) noninsulin-using diabetes; or (3) elevated blood glucose levels induced by pregnancy.

This required coverage may be subject to the annual deductibles or coinsurance requirements imposed by a carrier for similar coverages under the same health insurance policy or contract. The annual deductibles or coinsurance requirements may not be greater than the annual deductibles or coinsurance requirements imposed by the entity for similar coverages. A carrier may not impose a deductible, copayment, or coinsurance requirement on diabetes test strips, with the exception of a deductible requirement under a high-deductible health plan. A carrier may not reduce or eliminate coverages in its health insurance policies or contracts due to these requirements.

A health insurance policy, contract, or certificate may provide for reimbursement for the usual, customary, and reasonable charges for services rendered by a licensed dietician or nutritionist if a licensed physician determines that the services are medically necessary for the treatment of cardiovascular disease, diabetes, malnutrition, cancer, cerebral vascular disease, or kidney disease. Coverage may be limited to six visits during a 12-month period. Coverage for such services is not required. If such services are covered and provided to a hospital patient, the patient may not be billed separately for the service.

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.

Background: Prediabetes is a condition in which blood sugar levels are elevated but not high enough to be diagnosed as diabetes. According to the American Diabetes Association, 1.6 million adults in Maryland have prediabetes. Prediabetes is typically treated with dietary changes, physical exercise, and weight loss intended to bring blood sugar levels back to a normal level.

State Expenditures: The Department of Budget and Management advises that the State Plan is largely self-insured for its medical contracts and, as such, would generally not be subject to this mandate. The one fully insured integrated health model medical plan in the State Plan would be subject to this mandate. However, as this medical plan has a small number of State Plan participants, the Department of Legislative Services estimates that any additional cost to the State Plan is likely minimal.

Additional Comments: According to MIA, the bill applies to grandfathered individual health benefit plans and both grandfathered and nongrandfathered large group health benefit plans. The bill does not apply to nongrandfathered individual health benefit plans or grandfathered or nongrandfathered small group plans.

Additional Information

Prior Introductions: None.

Cross File: HB 86 (Delegate Barron) - Health and Government Operations.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Maryland Health Benefit Exchange; Maryland Insurance Administration; American Diabetes Association; Department of Legislative Services

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