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TO: The Honorable Peter A. Hammen, Chairman
Members, House Health & Government Operations Committee
The Honorable Shawn Tarrant

FROM: Joseph A. Schwartz, III
Pamela Metz Kasemeyer
J. Steven Wise

DATE: March 23, 2010

RE: **OPPOSE** – House Bill 1468 – *Health Insurance – Nonparticipating Providers
– Disclosure of Status and Charges*

The Maryland State Medical Society (MedChi), which represents over 7,300 Maryland physicians and their patients, opposes House Bill 1468.

House Bill 1468 will ensure that medical records contain new “disclosures” which would be of little or no use to a patient. The notion of the bill is that a “non par” doctor would be required to disclose “... the amount of the billed charge...” for which the patient will be responsible (pg. 4, lines 28-29). Significantly missing from this disclosure is the requirement that the health insurance company provide the amount of “reimbursement” that it will pay the doctor so that it would be impossible for the doctor to know the remaining balance.

Indeed, the bill appears to write into Maryland law the current practices of CareFirst (as opposed to those of Aetna, United or Cigna). The only requirement on insurance carriers is to “disclose prominently” (pg. 6, line 10), on its website certain disclosures about “non par” doctors including that “...the enrollee will be paid directly by the carrier;” (pg., 6, lines 20-23). Such direct payment to the patient is the current policy of CareFirst but not of other carriers.

The net effect of House Bill 1468 will be to increase the number of disclosures but provide no useful information. A doctor could simply disclose his or her maximum

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“billed charge” and be in compliance with the provisions of House Bill 1468. Moreover, House Bill 1468 does not appear to be practical concerning a patient whom, for instance, is being admitted to a hospital. Would the admitting doctor be required to provide “good faith estimates” of bills that may be rendered by an anesthesiologist, radiologist, pathologist or general surgeon at the hospital or would separate disclosures have to be obtained from these individuals prior to a procedure?

Disclosures can be useful but they can also be impractical. House Bill 1468 creates many disclosures and it is hard to believe that any of them are useful, particularly given the fact that the insurance companies are not required to provide information that would allow a patient to make an informed choice.

MedChi would ask for an unfavorable report on House Bill 1468.

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