



**Maryland Chamber of Commerce**

## **Legislative Position**

**SB 341  
OPPOSE**

**Finance  
Committee**

**2/12/09**

### **SB 341**

#### **Prosthetic Parity Act**

**Bill Summary:** This bill would broaden the definition of what constitutes a prosthetic device that must be covered by health insurance contracts, prohibit higher co-pays or co-insurance than for primary care, prohibit annual or lifetime benefit limits, and tie requirements for medical necessity to Medicare standards.

**Chamber Position:** The Maryland Chamber of Commerce opposes this bill because it will add another element for expanding the cost of health insurance. Studies reflect that Maryland already has among the highest number of mandated health benefits in the country.

While prosthetic devices are currently included as a mandatory coverage for health insurance policies, the amount of the allowance for such devices is determined by the health insurance contract based on medical necessity. This bill will prohibit insurers from establishing standards for medical necessity more restrictive than the federal Medicare program. We believe that it is a bad precedent to base state health care reimbursement levels on decisions of the federal government.

Medical technology is rapidly evolving and Mercer reported last December to the Maryland Health Care Commission that "some of the more advanced prostheses can cost as much as \$100,000." Lacking the ability to impose annual cost limits, will employers be mandated to cover the cost of such devices? The bill provides no incentives for cost containment, which will increase demand and increase health insurance costs.

For these reasons, we urge an unfavorable report for this bill.

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