

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

**FISCAL AND POLICY NOTE**

Senate Bill 1040

(Senator Middleton)

Finance

Health and Government Operations

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**Maryland Community Health Resources Commission - Sunset Extension**

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This bill extends the termination date for the Maryland Community Health Resources Commission (MCHRC) by 10 years to June 30, 2025.

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**Fiscal Summary**

**State Effect:** Special fund revenues and expenditures for MCHRC are maintained beyond FY 2015. The Governor’s proposed FY 2015 budget includes \$8,038,245 in special funds for the commission’s operation. The commission can continue to operate at current staffing levels.

**Local Effect:** Local governments are eligible to apply for grants from MCHRC; extending the termination date means these grants continue to be available.

**Small Business Effect:** Potential meaningful. Small business community health resources continue to benefit from assistance provided by the commission.

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**Analysis**

**Current Law/Background:** MCHRC is an 11-member commission that was established by Chapter 280 of 2005 to strengthen the safety net for low-income, uninsured, and underinsured Marylanders. The safety net consists of “community health resources” which could range from the federally qualified health centers to local health departments, smaller community-based clinics, and providers. MCHRC was originally established with a termination date of June 30, 2010; however, Chapter 624 of 2008, among other things, extended MCHRC’s termination date by five years to June 30, 2015.

The MCHRC Fund receives a portion of the premium tax exemption subsidy provided by CareFirst. The Insurance Article prohibits the subsidy from being less than \$8.0 million in fiscal 2014 and each fiscal year thereafter. In fiscal 2014 through 2016, approximately \$4.0 million annually is dedicated to Health Enterprise Zone (HEZ) projects. Chapter 3 of 2012 established the HEZ initiative, a four-year pilot program that provides public incentives and resources to help attract private health care practitioners to serve in underserved communities. The fund is used to award grants and provide community assessments.

Through community assessments, the commission helps communities develop more coordinated, integrated systems of community-based care, redirect nonemergency care from emergency rooms to other health care providers, and assist individuals in establishing medical homes. The fund may be used only to cover the administrative costs of MCHRC, cover the actual documented direct costs of fulfilling the statutory and regulatory duties of MCHRC, provide operating grants to qualifying community health resources, and provide funding for the development, support, and monitoring of a unified data information system among primary and specialty care providers, hospitals, and other providers of services to community health resource members.

Unlike the Maryland Health Care Commission and the Maryland Health Services Cost Review Commission, MCHRC is not subject to the Maryland Program Evaluation Act.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1431 (Delegate Hubbard) - Health and Government Operations.

**Information Source(s):** Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2014  
ncs/ljm

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