

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 Enrolled

House Bill 520 (Delegate Lierman, *et al.*)

Health and Government Operations and
 Appropriations

Finance

Prenatal and Infant Care Coordination - Grant Funding and Task Force

This bill increases, from \$50,000 to \$100,000, the amount of funding the Governor must provide for the Maryland Prenatal and Infant Care Coordination Services Grant Program Fund beginning in fiscal 2021. The bill also establishes the Task Force on Maryland Maternal and Child Health, to be jointly staffed by the Maryland Department of Health (MDH), the Department of Human Services, and the Health Services Cost Review Commission. **The bill's task force provisions take effect July 1, 2019, and terminate June 30, 2020.**

Fiscal Summary

State Effect: Special fund revenues increase by \$50,000 beginning in FY 2021 from increased appropriations to the fund. General fund expenditures increase by \$27,400 in FY 2020 only to staff the task force and by \$50,000 annually beginning in FY 2021 for increased capitalization of the fund. Special fund expenditures increase by \$50,000 in future years to provide additional grants from the fund. **This bill increases a mandated appropriation beginning in FY 2021.**

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
SF Revenue	\$0	\$50,000	\$50,000	\$50,000	\$50,000
GF Expenditure	\$27,400	\$50,000	\$50,000	\$50,000	\$50,000
SF Expenditure	\$0	\$50,000	\$50,000	\$50,000	\$50,000
Net Effect	(\$27,400)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local revenues and expenditures increase minimally from additional grant funding being available beginning in FY 2021.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The task force must study and make recommendations on (1) how the policies of MDH can be used to incentivize early intervention and prevention of key adverse health outcomes; (2) how State policies and payment mechanisms can support community- and school-based models of care, encourage partnerships under the all-payer model to improve child care, assist in collaborations with public health care, and use specified Medicaid data to monitor improvements; and (3) programs that Medicaid should implement. By November 1, 2019, the task force must report its findings and recommendations to the General Assembly.

A member of the task force is not entitled to compensation but may receive reimbursement for expenses under standard State travel regulations, as provided in the State budget.

Current Law/Background: Chapters 558 and 559 of 2018 established the Maryland Prenatal and Infant Care Coordination Services Grant Program Fund to provide grants to counties and municipalities for care coordination services to low-income pregnant and postpartum women and to children from birth to age three. The Secretary of Health must award grants from the fund and, in coordination with members of the Children's Cabinet, establish procedures to distribute money to local jurisdictions according to specified priorities. The Governor must appropriate \$50,000 annually for the fund beginning in fiscal 2020. This funding is included in the fiscal 2020 budget for MDH's Prevention and Health Promotion Administration (PHPA).

A local jurisdiction's application for grant funding must include, at a minimum, (1) evidence that the care coordination services will be collaborative and involve appropriate public service agencies and community-based providers and (2) a plan to establish a database to collect data from the program to ensure that services are provided to families with the highest need. Local jurisdictions that are awarded grant funding must submit annual reports that include data describing the services provided, the number of and outcomes for individuals receiving services, and an assessment of the scalability of the funded activities.

The fund is a special, nonlapsing fund, administered by the Secretary of Health to be used only to provide grants under the program in accordance with the State budget. The fund consists of money appropriated in the budget, investment earnings, and money accepted from any other source for the benefit of the fund. Grants from the fund are supplemental to and not intended to supplant funding that would otherwise be appropriated for care coordination services. The fund is subject to audit by the Office of Legislative Audits.

State Fiscal Effect:

Increased Mandated Appropriation to the Fund

General fund expenditures increase by \$50,000 annually beginning in fiscal 2021 to reflect the increase in the mandated appropriation to the fund.

Correspondingly, special fund revenues increase by \$50,000 annually to reflect additional general funds received, and special fund expenditures increase by up to \$50,000 annually to reflect additional grants awarded.

Administration of the Fund

The fund was established in October 2018, with initial funding of \$50,000 (as required) included in the Governor’s proposed fiscal 2020 budget. MDH did not receive additional staff to support the grant program. PHPA advises that the current level of funding proposed under the bill can be handled with existing staff.

Task Force on Maryland Maternal and Child Health

Although three entities are assigned to jointly staff the task force, due to the short timeframe provided to convene the task force and complete the required report (due within four months – on November 1, 2019), MDH advises that contractual assistance will be required.

Thus, MDH general fund expenditures increase by \$27,403 in fiscal 2020 only, which reflects the July 1, 2019 effective date of the bill’s task force provisions. This estimate reflects the cost to hire one short-term contractual position to staff the task force and prepare the required report. It includes a salary, fringe benefits, and one-time start-up costs.

Contractual Position	1.0
Salary and Fringe Benefits	\$22,301
One-Time Start-up Expenses	<u>5,102</u>
Total FY 2020 Task Force Expenditures	\$27,403

This analysis assumes elimination of the contractual position November 1, 2019, following submission of the required report.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Local Fiscal Effect: Local revenues and expenditures increase minimally beginning in fiscal 2021 for any local government that successfully applies for and receives grant funding for a qualifying program. To the extent that local care coordination programs are implemented, local health care costs may decrease minimally from more efficient provision and coordination of care.

Additional Information

Prior Introductions: None.

Cross File: SB 406 (Senator Ferguson, *et al.*) - Finance.

Information Source(s): University of Maryland Medical System; Department of Budget and Management; Maryland Department of Health; Department of Human Services; Baltimore City Health Department; Department of Legislative Services

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