

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
 Third Reader

Senate Bill 550 (Senator Beidle, *et al.*)

Finance and Budget and Taxation

Health and Government Operations and
 Appropriations

Sheila E. Hixson Behavioral Health Services Matching Grant Program for
 Service Members and Veterans – Establishment

This bill establishes the Sheila E. Hixson Behavioral Health Services Matching Grant Program for Service Members and Veterans administered by the Maryland Department of Health (MDH). Beginning in fiscal 2022, the Governor *may* include an annual appropriation of \$2.5 million for the program in the operating budget. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: General fund expenditures increase by \$2.5 million annually beginning in FY 2022, as discussed below. Revenues are not affected.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Net Effect	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The program is established to help serve the behavioral health needs of service members, veterans, and specified family members, based on the following definitions:

- “Eligible individual” means a service member, a veteran, or the spouse, child, or stepchild of a service member or veteran.
- “Service member” means an individual who is an active-duty member of the U.S. Armed Forces, a reserve component of the U.S. Armed Forces, or the National Guard of any state.
- “Veteran” means a former service member who was discharged from active duty.

Sheila E. Hixon Behavioral Health Services Matching Grant Program

The program must award competitive matching grants to local nonprofit organizations to establish and expand community behavioral health programs that (1) serve the behavioral health needs of eligible individuals in the locality served by the nonprofit organization; (2) meet national standards; (3) integrate the delivery of mental health and substance use treatment; and (4) connect eligible individuals to appropriate community-based care in a timely manner on discharge from the community behavioral health program.

Maryland Department of Health – Requirements

MDH must establish (1) selection criteria to evaluate applicant proposals, including a positive scoring system that takes into account specified information; (2) application procedures; (3) a statewide system of outcome measurement to assess the effectiveness and adequacy of services provided by each nonprofit organization that receives a grant; (4) guidelines that require a nonprofit organization that receives a grant to bill third-party insurers or Medicaid; and (5) any other procedures necessary to implement the bill.

When awarding grants, MDH must give priority to proposals that best meet the established selection criteria, regardless of the proposal’s projected cost.

Nonprofit Organizations – Applying for and Receiving Grants from the Program

Nonprofit organizations with a mission to provide behavioral health services or provide services to eligible individuals are entitled to submit a proposal requesting a matching grant from the program. An eligible nonprofit organization must secure contributions equal in value to the amount of money requested from the program. Additionally, a nonprofit organization that receives a grant from the program must submit any information that MDH determines is necessary for the statewide system of outcome measurement.

Reporting Requirements

By December 1, 2023, and annually thereafter, MDH must submit a report for the most recent fiscal year that includes the number of grants distributed, the funds distributed by

county, information about grant recipients and the services provided through grant funding, and outcome data reported under the statewide system of measurement.

Current Law:

Veteran and Armed Services Member Suicide Reporting

Chapters 154 and 155 of 2018 require the Secretary of Health to publish an annual report on the suicides of veterans and members currently serving in the U.S. Armed Forces. The report may only include specified demographic information, the nature of service, and the method of suicide.

Maryland Veterans Service Animal Program

Chapter 416 of 2017 established the Maryland Veterans Service Animal Program. The program is designed to refer eligible veterans to selected nonprofit organizations to be paired with service dogs or support dogs and facilitate their training. The program has been expanded to also encompass equine therapy. One of the stated purposes of the program is to assist in the reduction of the Maryland veteran suicide rate.

Maryland's Commitment to Veterans

Chapter 555 of 2008 established Maryland's Commitment to Veterans within MDH and administered by the Behavioral Health Administration. The program assists veterans in coordinating comprehensive wellness and behavioral health services and directs veterans to federal services specifically available to veterans or to State resources when no federal services are available.

State Expenditures: General fund expenditures increase by \$2.5 million annually beginning in fiscal 2022 for the new grant program. The bill does not preclude this funding from being used to administer the program. Previous estimates for similar legislation advised that MDH could handle the bill's requirements with existing resources. However, due to the ongoing demands of the COVID-19 pandemic, the Department of Legislative Services advises that MDH likely needs additional resources to fulfill the requirements of the bill.

Therefore, a portion of the total funding is used by MDH to hire a grants administrator to administer all aspects of the program and support the development of the mandated annual report. Specifically, \$58,508 of the \$2.5 million is used for this purpose in fiscal 2022, which reflects a 90-day start-up delay from the bill's July 1, 2021 effective date. This estimate includes a salary, fringe benefits, one-time start-up costs, ongoing operating expenses, and residual funding being available for grant awards. After accounting for

administrative expenses, approximately \$2.44 million in fiscal 2022 is available to provide grants to eligible nonprofit organizations.

Position	1.0
Salary and Fringe Benefits	\$52,927
Operating Expenses	5,581
Grant Awards	<u>2,441,492</u>
Total FY 2022 State Expenditures	\$2,500,000

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses. Therefore, slightly less residual funding is available for grant awards.

Unexpended funds revert to the general fund. Funding for the program is entirely discretionary; however, this analysis assumes the Governor appropriates the entire \$2.5 million authorized in the bill.

Additional Information

Prior Introductions: SB 904 of 2020 received a hearing in the Senate Finance and Budget and Taxation committees, but no further action was taken. Its cross file, HB 1515, received a hearing in the House Health and Government Operations and Appropriations committees, but no further action was taken.

Designated Cross File: HB 872 (Delegate Charles) - Health and Government Operations and Appropriations.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Department of Veterans Affairs; Department of Legislative Services

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Analysis by: Thomas S. Elder

Direct Inquiries to:
(410) 946-5510
(301) 970-5510