

Department of Legislative Services  
 Maryland General Assembly  
 2023 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 1101 (Delegate Wivell, *et al.*)  
 Health and Government Operations and  
 Appropriations

Maryland Maternity Care Access Program, Fund, and Income Tax Checkoff -  
 Establishment

This bill establishes the Maryland Maternity Care Access Program (MMCAP) in the Maryland Department of Health (MDH) to develop and sustain “pregnancy support centers” in the State. The bill also establishes the MMCAP Fund. Beginning in fiscal 2025, the Governor must include in the annual budget bill an appropriation of \$3.0 million for MMCAP. By October 1, 2024, and annually thereafter, MDH, in consultation with any coordinating organization, must submit a specified report to the General Assembly. The Comptroller must include a checkoff designated for the fund on the personal income tax return form. **The bill’s tax checkoff provisions apply to tax years 2023 and beyond.**

Fiscal Summary

**State Effect:** General fund expenditures for the Comptroller’s Office increase by \$79,000 in FY 2024 only. General fund expenditures increase by \$3.0 million beginning in FY 2025 to reflect the mandated appropriation; special fund revenues increase accordingly. Special fund expenditures increase by an indeterminate amount beginning in FY 2025. Special fund revenues may increase by an additional indeterminate amount beginning in FY 2024 due to the income tax checkoff (not reflected below). **This bill establishes a mandated appropriation beginning in FY 2025.**

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
SF Revenue	\$0	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
GF Expenditure	\$79,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
SF Expenditure	\$0	-	-	-	-
Net Effect	(\$79,000)	(\$-)	(\$-)	(\$-)	(\$-)

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

**Local Effect:** None.

**Small Business Effect:** None.

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## **Analysis**

**Bill Summary:** “Pregnancy support center” means a provider or qualified nonprofit organization that (1) provides pregnant women with support services, including counseling, housing, health care, adoption services, material assistance, job training, and educational assistance and (2) does not refer, induce, or assist in the performance of abortions.

### *Maryland Maternity Care Access Program*

MDH may contract with at least one coordinating organization to administer MMCAP. A coordinating organization must be a nonprofit entity and in good standing in any state or jurisdiction in which the organization is registered or incorporated.

MDH may not obtain information regarding, or interfere with, specific operations of a coordinating organization other than the operations necessary for the administration of MMCAP. MDH may not release the name of any individual providing services through or participating in MMCAP but must publicly release the name of any (1) coordinating organization contracted with and (2) entity receiving money from the MMCAP Fund.

### *Maryland Maternity Care Access Program Fund*

The MMCAP Fund is a special, nonlapsing fund that consists of (1) any money appropriated in the State budget to the fund; (2) interest earnings; (3) contributions to the fund from the income tax checkoff system; and (4) any other money from any other source accepted for the benefit of the fund. The fund may only be used for the program or contracting with a coordinating organization to administer the program. The Comptroller must pay out money for the fund as directed by the Secretary of Health. Expenditures from the fund must be made in accordance with the State budget. The fund may not revert or be credited to the general fund or any other special fund in the State.

### *Required Report*

By October 1, 2024, and each year thereafter, MDH, in consultation with any coordinating organization, must report to the General Assembly on (1) the gross amount of gifts and grants credited to the MMCAP Fund; (2) the cost of administering the MMCAP Fund; and (3) a detailed accounting of the use of the MMCAP Fund.

## *Income Tax Checkoff*

The Comptroller must include a checkoff designated as the MMCAP Fund on the individual income tax return form. The checkoff must state that the individual, or each spouse in the case of a joint return, may contribute to the fund an amount designated by the individual. The individual deducts the amount of the contribution from any refund to which the individual is entitled or, if the individual is not entitled to a refund, the individual adds the amount of the contribution to the income tax paid with the return. The Comptroller must include, with the individual income tax return package, a description of the purposes of the MMCAP Fund. From the contributions collected, the Comptroller distributes an amount necessary to administer the checkoff system to an administrative cost account and distributes the remainder to the MMCAP Fund.

**Current Law:** In Maryland, Medicaid covers health care for pregnant women with incomes up to 138% of the federal poverty level (FPL). Pregnant women with incomes between 138% and 264% FPL may also qualify for Medicaid based on their pregnancy under the Sixth Omnibus Budget Reconciliation Act of 1986 category. Chapter 470 of 2021 requires Medicaid, subject to the limitations of the State budget, to extend coverage (including dental care) for eligible pregnant women with family incomes up to 250% FPL for one year immediately following the end of the woman's pregnancy. Medicaid has pursued a State Plan Amendment to extend coverage for pregnant women from 2 months to 12 months postpartum, with a blended 61% federal match.

The Special Supplemental Nutrition Food Program for Women, Infants, and Children (WIC), administered through MDH, is a discretionary public health nutrition program designed to ensure the healthy growth and development of young children. Services include providing nutrition, breastfeeding assessments and education, supplemental foods, and health care and social service referrals to pregnant, postpartum, and breastfeeding women, as well as infants and children up to five years of age. Funding for WIC is split between federal, State, and manufacturer rebates and varies each year.

The Chesapeake Bay and Endangered Species Fund, Maryland Cancer Fund, Developmental Disabilities Services and Support Fund, and Fair Campaign Financing Fund are the four current checkoffs on the personal income tax form.

### **State Fiscal Effect:**

#### *Mandated Appropriation*

General fund expenditures (and corresponding special fund revenues to the MMCAP Fund) increase by \$3.0 million beginning in fiscal 2025 to reflect the bill's mandated appropriation. Special fund expenditures increase by an indeterminate amount beginning

in fiscal 2025 to reflect funds distributed by MMCAP to develop and sustain pregnancy support centers (discussed further below).

*Income Tax Checkoff*

General fund expenditures for the Comptroller’s Office increase by an estimated \$79,000 in fiscal 2024 only for one-time changes to the Comptroller’s tax systems to establish the tax checkoff.

Special fund revenues to the MMCAP Fund increase beginning in fiscal 2024 to the extent the tax checkoff generates donations to the fund. In addition, revenues to other special funds that benefit from income tax checkoffs may decrease to the extent donations are shifted to the MMCAP Fund. However, any such effect cannot be reliably estimated.

*Maryland Department of Health Personnel Costs*

MDH advises that additional personnel are required to implement the bill. This analysis assumes that personnel costs can be deducted from the mandated appropriation beginning in fiscal 2025, and that positions begin on July 1, 2024, after the funds have been disbursed.

Thus, MDH special fund expenditures increase by \$157,339 in fiscal 2025 for personnel. This estimate reflects the cost of hiring one part-time (50%) contractual physician clinical specialist to develop coordinating organization program requirements and one part-time (50%) permanent program manager to oversee any contracts with a coordinating organization, disburse funds to the coordinating organization, and complete the required annual report. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	0.5
Permanent Position	0.5
Salaries and Fringe Benefits	\$133,211
Operating Expenses	<u>24,128</u>
<b>Total FY 2025 Personnel Expenditures</b>	<b>\$157,339</b>

Future year expenditures reflect a full salary for the permanent position with annual increases and employee turnover as well as annual increases in ongoing operating expenses. This estimate assumes that the contractual physician clinical specialist position terminates June 30, 2025, after program requirements are developed.

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.

After personnel expenses, in fiscal 2024, \$2,842,661 from the mandated appropriation (plus any revenues received from the tax checkoff) are available to be distributed from the MMCAP Fund to at least one coordinating organization to develop and sustain pregnancy support centers in the State. As personnel expenditures decrease in fiscal 2026 (to reflect only one part-time (50%) program manager), \$2.9 million is available for pregnancy support centers in fiscal 2027 and out-years.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 901 (Senator McKay) - Rules.

**Information Source(s):** Comptroller's Office; Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

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