

**Department of Legislative Services**  
 Maryland General Assembly  
 2023 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 48 (Delegate Bagnall)  
 Health and Government Operations

Finance

**Maryland Medical Assistance Program – Collaborative Care Model Services –  
 Implementation and Reimbursement Expansion**

This bill repeals the Collaborative Care Pilot Program and related language, including a report on the pilot program due November 1, 2023. Instead, the bill requires the Maryland Department of Health (MDH) to provide reimbursement for services provided in accordance with the Collaborative Care Model statewide in primary care settings that provide health care services to Medicaid recipients.

**Fiscal Summary**

**State Effect:** Medicaid expenditures increase by as much as \$15.7 million (61% federal funds, 39% general funds) in FY 2024 and \$20.9 million annually beginning in FY 2025; federal fund revenues increase accordingly. **This bill increases the cost of an entitlement program beginning in FY 2024.**

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
FF Revenue	\$9.6	\$12.8	\$12.8	\$12.8	\$12.8
GF Expenditure	\$6.1	\$8.2	\$8.2	\$8.2	\$8.2
FF Expenditure	\$9.6	\$12.8	\$12.8	\$12.8	\$12.8
Net Effect	(\$6.1)	(\$8.2)	(\$8.2)	(\$8.2)	(\$8.2)

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

**Local Effect:** None.

**Small Business Effect:** Meaningful.

## Analysis

**Current Law:** “Collaborative Care Model” means an evidence-based approach for integrating somatic and behavioral health services in primary care settings that includes (1) care coordination and management; (2) regular, proactive outcome monitoring and treatment for outcome targets using standardized outcome measurement rating scales and electronic tools; and (3) regular systematic psychiatric and substance use disorder caseload reviews and consultation with specified providers.

Chapters 683 and 684 of 2018 established a Collaborative Care Pilot Program to implement a Collaborative Care Model in primary care settings for HealthChoice Medicaid recipients. For fiscal 2020 through 2023, the Governor was required to appropriate \$550,000 annually for the pilot program.

A report on findings and recommendations of the pilot program is due November 1, 2023. However, MDH provided a report on the pilot program in response to the 2021 *Joint Chairmen’s Report*. Although more limited than initially projected due to the COVID-19 pandemic, preliminary results suggested that the pilot has improved clinical outcomes. At that time, MDH estimated that implementing the model statewide could cost between \$18.8 million and \$32.4 million in total funds annually. MDH recommended continuing the pilot program until the end of fiscal 2023 and conducting a full evaluation then.

**State Fiscal Effect:** Under the bill, Medicaid must provide reimbursement for services provided in accordance with the Collaborative Care Model statewide in primary care settings that provide health care services to Medicaid recipients.

MDH estimates that as many as 46,560 Medicaid enrollees (including both fee-for-service and managed care organization enrollees) are eligible for these services. MDH notes that this includes young children who may not clinically benefit from the program and, thus, may overstate the eligible population. Approximately 58% of those eligible (27,005) will receive services (based on participation rates for the pilot program) at an average annual cost of \$775.30. Thus, the annual estimated cost of expanding the Continuity of Care Model statewide is as much as \$20.9 million (61% federal funds, 39% general funds). The actual federal matching rate may vary based on the population that receives services under the bill. In fiscal 2024, Medicaid expenditures increase by as much as \$15.7 million to reflect the bill’s October 1, 2023 effective date.

**Small Business Effect:** Small business behavioral health care providers that provide services in accordance with the Collaborative Care Model may serve additional clients and receive additional reimbursement under the bill.

## Additional Information

**Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 935 and SB 637 of 2022.

**Designated Cross File:** SB 101 (Senator Augustine) - Finance.

**Information Source(s):** Maryland Department of Health; Department of Legislative Services

**Fiscal Note History:** First Reader - January 26, 2023  
js/ljm Third Reader - March 20, 2023

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