

**Department of Legislative Services**  
Maryland General Assembly  
2013 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 1429

(Chair, Environmental Matters Committee)(By Request -  
Departmental - Health and Mental Hygiene)

Environmental Matters

Education, Health, and Environmental Affairs

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**Department of Health and Mental Hygiene - Former Officials and Employees -  
Employment**

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This departmental bill establishes that a former official or employee is not considered to have participated significantly in a contract and may therefore assist or represent a party, other than the State, in a contract for compensation if the former official or employee (1) did not develop a request for proposals resulting in the contract; (2) did not participate in an evaluation committee or other State entity charged with selecting a contractor for the contract; and (3) participated only by providing support or other assistance as directed by a senior manager after contract award as part of the transition process from a State-run Medicaid Management Information System to a private contracted operation. The Department of Health and Mental Hygiene (DHMH) must submit a report to specified legislative committees, by December 1, 2016, on individuals that have left State employment for employment at a private entity operating the Maryland Medicaid Management Information System. The report must include information on the number, the fields of work, and the ranges of levels of employment and pay grades for these individuals, to the extent known by DHMH.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect State finances.

**Local Effect:** None.

**Small Business Effect:** DHMH has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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## Analysis

**Current Law:** With the exception of a former member of the General Assembly, who is subject to separate restrictions, a former official or employee of the State may not assist or represent a party, other than the State, in a case, contract, or other specific matter for compensation if (1) the matter involves State government and (2) the former official or employee participated significantly in the matter as an official or employee.

**Background:** DHMH's Medical Care Programs Administration is currently in the process of transitioning from its outdated Medicaid Management Information System, used to digitize claims processing and information retrieval, to a new system, under the Medicaid Enterprise Restructuring Project. The transition will involve the development of the new system by a contractor as well as transfer of certain operations to the contractor. The potential value and length of the contract is almost \$300 million over an 11-year period. The bill is intended to allow employees who make necessary contributions to the transition from the State-run operation to the privately run operation an opportunity to become employed by the private operator.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, State Ethics Commission, Board of Public Works, Department of Budget and Management, Department of General Services, Department of Legislative Services

**Fiscal Note History:** First Reader - March 12, 2013  
mc/kdm Revised - House Third Reader - April 4, 2013

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: STATE ETHICS – STATE EMPLOYEES – FUTURE  
EMPLOYMENT

BILL NUMBER: HB 1429

PREPARED BY: State Commission on Ethics

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.