

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

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

House Bill 105 (Chair, Health and Government Operations  
Committee)(By Request - Departmental - Health and  
Mental Hygiene)

Health and Government Operations

Finance

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**Maryland Health Care Commission - Powers - Authority to Award Funds and  
Make Agreements With Grantees and Payees**

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This departmental bill authorizes the Maryland Health Care Commission (MHCC) to award grants and make agreements with grantees or payees. In awarding funds, MHCC must (1) use a competitive process that affords interested persons an opportunity to submit a proposal for funding and (2) evaluate proposals using a panel of internal and external evaluators. MHCC must provide information on its website that is easily accessible to the public about funds to be awarded and how to submit a proposal. MHCC must submit an annual report to the General Assembly listing all funds awarded.

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**Fiscal Summary**

**State Effect:** Authorizing MHCC to award grants and make agreements with payees is procedural in nature and does not directly affect governmental finances. MHCC currently receives federal and other funds but cannot directly distribute them. MHCC can implement the bill's requirements regarding competitive bidding, evaluating proposals, and provision of information to the public using existing budgeted resources as these requirements codify current practice.

**Local Effect:** None.

**Small Business Effect:** The Department of Health and Mental Hygiene (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:** MHCC is authorized to apply for and accept any funds, property, or services from any person or government agency and make agreements with a grantor or payor of funds, property, or services, including an agreement to make any study, plan, demonstration, or project.

**Background:** In recent years, MHCC has received some significant grants, including \$10.9 million from the U.S. Department of Health and Human Services for health information technology and \$2.8 million from the federal Centers for Medicare and Medicaid Services' Center for Consumer Information and Insurance Oversight. While MHCC may receive such funding, it is not authorized to award those funds as grants to other State organizations. Instead, MHCC must either use the procurement process or transfer funds to DHMH to make the award on behalf of MHCC. According to MHCC, these procedures are time consuming and make it difficult for MHCC to manage the grantee; thus, the bill is intended to streamline the award process and allow for more seamless grant oversight.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - January 10, 2014  
mam/ljm Revised - House Third Reader - March 21, 2014

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Health Care Commission – Powers and Duties - Grants

BILL NUMBER: HB 105

PREPARED BY: Department of Health and Mental Hygiene

### 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