

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 425
 Finance

(Senator Benson, *et al.*)

Economic Matters

Home Energy Assistance - Critical Medical Needs Program

This bill establishes the Critical Medical Needs (CMN) Program in the Office of Home Energy Programs (OHEP) within the Department of Human Services (DHS). The purpose of the CMN program is to reduce barriers to the energy assistance application process for “critical medically vulnerable individuals” and their households in obtaining State and federal financial assistance for their electric, gas, or other energy source bills so that their service continues or is restored.

Fiscal Summary

State Effect: DHS special fund expenditures increase by \$86,900 in FY 2020 for staff. Out-year expenditures reflect annualization and elimination of one-time costs. Revenues are not affected.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	86,900	103,100	106,500	110,200	114,000
Net Effect	(\$86,900)	(\$103,100)	(\$106,500)	(\$110,200)	(\$114,000)

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: A “critical medically vulnerable individual” is an individual who

- has a severe health condition that will be aggravated due to the termination or noncontinuation of electric or gas service or needs the use of life-support equipment as documented and certified in accordance with specified methods;
- has or will have their electric or gas service terminated for nonpayment; and
- is unable to complete the energy assistance applications under available energy assistance programs.

In administering the CMN program, OHEP must partner with specified entities, including the Office of People’s Counsel, electric and gas companies, nonprofit organizations, other State agencies, and any other organization that OHEP determines appropriate. The CMN program must facilitate assistance to critical medically vulnerable individuals and their households in obtaining financial assistance through navigators. Navigators are representatives from a medical facility or from a public or private assistance agency or organization who are in personal contact with a critical medically vulnerable individual and assist the individual in the energy assistance application process. OHEP must determine qualifications and establish training requirements for navigators; it must train navigators or facilitate the training of navigators by others.

In accordance with requirements set forth in the Code of Maryland Regulations (COMAR), OHEP must work with electric and gas companies to implement, for critical medically vulnerable individuals (1) a medical hold on electric or gas service or an expedited process to grant the extension of electric or gas service for those who will have services terminated and (2) an expedited process for the restoration of electric or gas service for those who have had their electric or gas service terminated. OHEP must establish a tracking system of the status of individuals who participate in the program and adopt implementing regulations.

Current Law/Background: The Electric Universal Service Program within OHEP provides bill payment assistance and arrearage assistance to electric customers.

COMAR prohibits electric or gas service from being terminated for an initial period of up to 30 days beyond the scheduled date of service termination when the termination will aggravate an existing serious illness or prevent the use of life-support equipment of any occupant of the premises. Specified medical providers may certify an occupant’s serious illness or the need for life support equipment; within 30 days of the certification’s submission, the customer must enter into an agreement with the utility provider for payment of unpaid bills and current amounts due for service, as specified.

In response to concerns about the serious impact of utility service loss on medically vulnerable individuals, a critical medical needs pilot program was implemented in 2015 through a cooperative partnership between relevant entities, including OHEP, gas and electric companies, and nonprofit organizations. Since the pilot program's inception, approximately 200 navigators have been trained to provide assistance to medically vulnerable individuals and their households; approximately 300 additional individuals have expressed interest in training. However, the pilot program operates only in certain areas of the State.

State Expenditures: DHS special fund expenditures increase by \$86,850 in fiscal 2020, which accounts for the bill's October 1, 2019 effective date. This estimate reflects the cost of hiring one office clerk and one family investment specialist within OHEP to facilitate a statewide CMN program and track the status of participants. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2.0
Salaries and Fringe Benefits	\$76,132
Operating Expenses	<u>10,718</u>
Total FY 2020 State Expenditures	\$86,850

Future year expenditures reflect full salaries with annual increases and employee turnover and ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: HB 1189 (Delegate Carey, *et al.*) - Economic Matters.

Information Source(s): Maryland Department of Health; Department of Human Services; Office of People's Counsel; Public Service Commission; Department of Legislative Services

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