

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 591
 Finance

(Senator Augustine)

Health and Government Operations

Maryland Health Care Commission - Patient Safety Center - Designation and Fund

This bill requires the Maryland Health Care Commission (MHCC) to designate a Patient Safety Center for the State by December 31, 2025, and establishes a Patient Safety Center Fund to subsidize a portion of the costs of the center. For fiscal 2023 and each fiscal year thereafter, the Governor must include in the annual budget bill an appropriation of \$1.0 million for the fund. MHCC may provide a grant (from the fund) to the center. By October 1 each year, MHCC, in conjunction with the center, must report to specified committees of the General Assembly on the center’s statewide activities and how the center’s initiatives align with State-designated priorities.

Fiscal Summary

State Effect: MHCC can implement the bill’s requirements using existing budgeted resources. General fund expenditures increase by \$1.0 million annually beginning in FY 2024 to reflect the mandated appropriation; special fund revenues and expenditures increase accordingly. FY 2023 expenditures are at the discretion of the Governor. **This bill establishes a mandated appropriation beginning in FY 2024.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
SF Revenue	-	\$1.0	\$1.0	\$1.0	\$1.0
GF Expenditure	-	\$1.0	\$1.0	\$1.0	\$1.0
SF Expenditure	-	\$1.0	\$1.0	\$1.0	\$1.0
Net Effect	(-)	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)

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: The Patient Safety Center designated by MHCC must continue to act as the State-designated center for the duration of the designation period, as determined by MHCC, if the center continuously meets the standards and requirements established by MHCC. The designated center must (1) develop, coordinate, and implement patient safety initiatives across the State; (2) be a model for patient safety innovation and implementation in the State; (3) convene health care providers, patients, and families to improve the quality of care, reduce preventable and avoidable harm, and provide safe and equitable health care for State citizens; and (4) share information relating to best practices among providers and patients in the State.

The Patient Safety Center Fund is a special, nonlapsing fund administered by MHCC. The fund consists of money appropriated in the State budget to the fund, interest earnings, and any other money from any other source accepted for the benefit of the fund. The fund may only be used to subsidize a portion of the costs of the center so that the center may perform the duties specified in the bill. Further, expenditures from the fund may only be made in accordance with the State budget.

MHCC may provide an annual grant from the fund to the designated center in the amount appropriated to the fund, plus any interest or other income distributed to the fund. Money expended from the fund for the center is supplemental to and is not intended to take the place of funding that would otherwise be appropriated to the center.

Current Law: Chapter 318 of 2001 required MHCC, in consultation with the Maryland Department of Health (then the Department of Health and Mental Hygiene), to study the feasibility of developing a system for reducing the incidence of preventable adverse medical events in the State. MHCC's report recommended, among other things, establishment of the Maryland Patient Safety Center (MPSC). Chapter 126 of 2003 broadened the definition of "medical review committee" to include a center designed by MHCC as MPSC. MHCC first designated MPSC in 2004, with the Maryland Hospital Association and the Delmarva Foundation jointly selected as operators for a three-year period. In September 2007, MPSC became an incorporated organization. As a nonprofit organization, a voluntary board of directors sets the strategy for the organization. State redesignation has been continued by MHCC since 2004 and is currently in effect until April 2025.

Historically, the Health Services Cost Review Commission (HSCRC) used hospital rates to fund MPSC. HSCRC has reduced the amount of funding provided to MPSC each year since fiscal 2019. For fiscal 2022, HSCRC approved \$248,028 for MPSC, noting that MPSC should continue to pursue strategies to achieve long-term sustainability through other sources of revenue, including identifying other provider groups that benefit from

MPSC programs. Fiscal 2022 is the last year of HSCRC funding for MPSC, which is transitioning to a self-sustaining resource moving forward.

State Fiscal Effect: MHCC advises that it can designate a Patient Safety Center (presumably the existing MPSC before its current designation terminates), administer the Patient Safety Center Fund, provide a grant to MPSC, and submit annual reports on MPSC using existing budgeted resources.

General fund expenditures increase by \$1.0 million annually beginning in fiscal 2024 to reflect the mandated appropriation; special fund revenues to the Patient Safety Center Fund increase accordingly. Special fund expenditures from the fund also increase accordingly to provide a grant to MPSC. Fiscal 2023 expenditures are at the discretion of the Governor.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 915 (Delegate Sample-Hughes) - Health and Government Operations.

Information Source(s): Maryland Patient Safety Center; Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

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