

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 625 (Delegate Kelly)
 Health and Government Operations Education, Health, and Environmental Affairs

**Commission to Study the Health Care Workforce Crisis in Maryland -
 Establishment**

This emergency bill establishes the Commission to Study the Health Care Workforce Crisis in Maryland. The Secretary of Health must designate the chair of the commission. The State agencies represented on the commission must jointly provide staff for the commission. Commission members may not receive compensation but are entitled to reimbursement for expenses under standard State travel regulations. The commission must submit an interim report by December 31, 2022, and a final report of its findings and recommendations by December 31, 2023. **The bill terminates December 31, 2023.**

Fiscal Summary

State Effect: No effect in FY 2022. General fund expenditures increase by \$159,600 in FY 2023 and \$64,900 in FY 2024 for contractual staff for the Maryland Department of Health (MDH), the Maryland Department of Veterans Affairs (MDVA), and the Maryland Longitudinal Data System (MLDS) Center as discussed below. Other State agencies can likely participate in commission activities using existing budgeted resources. Revenues are not affected.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	159,600	64,900	0	0
Net Effect	\$0	(\$159,600)	(\$64,900)	\$0	\$0

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The commission comprises two members of the Senate of Maryland, appointed by the President; two members of the House of Delegates, appointed by the Speaker of the House; the Secretary of Health (or designee); the Secretary of Commerce (or designee); the Secretary of Labor (or designee); the Deputy Secretary of Behavioral Health (or designee); the Deputy Secretary of Developmental Disabilities (or designee); the Deputy Secretary of Public Health (or designee); the Chairman of the Maryland Health Care Commission (MHCC) (or designee); the executive director of specified health occupations boards (or designees); MDH's Liaison to Boards and Commissions (or designee); the Director of the State Office of Rural Health (or designee); the Director of the Office of Minority Health and Health Disparities (or designee); the Director of the Office of Health Care Quality (or designee); the Provost of the Graduate School of the University of Maryland, Baltimore Campus (or designee); the Chair of the Maryland Higher Education Commission Private Advisory Council (or designee); one representative from MDVA (or designee); and the Executive Director of the MLDS Center (or designee).

The commission must establish advisory committees or stakeholder workgroups, which must include an individual who is (1) a member of a health care industry stakeholder group, a health care workforce representative, or a representative of a community college and (2) not a member of the commission.

The commission must:

- determine the extent of the health care workforce shortage in the State, as specified;
- examine turnover rates and average length of tenure for shortages and identify strategies to reduce turnover in the professions that are experiencing shortages, including wage increases and opportunities for career advancement;
- examine short-term solutions to address immediate needs for identified shortages while ensuring the safety of patients, as specified;
- examine future health care workforce needs as populations age, as specified;
- examine what changes are needed to enhance incentives for individuals to enter and stay in the health care workforce, as specified;
- examine ways to facilitate career advancement and retention by identifying and elevating career ladders and programs for on-the-job advancement, as specified;
- examine the special needs of the rural health care system and methods for recruiting and retaining workers in rural areas;
- examine the impact that reimbursement has on workforce shortages;
- examine the relationship between the health occupations boards and MDH and determine (1) what authority the Secretary of Health should have over the boards and (2) what additional support MDH could provide the boards, as specified;

- in consultation with MDVA, examine methods for improving the transition of active duty and retired military to the civilian health care workforce and establishing pathways for active duty and retired military personnel to enter the civilian health care workforce, as specified; and
- examine barriers confronting foreign-born health professionals and identify career and licensure pathways for refugees and immigrants with education, training, and experience from other nations.

Current Law: Since the beginning of the COVID-19 pandemic, health care facilities have struggled to maintain staffing levels necessary to care for patients. To address these concerns, on March 12, 2020, Governor Lawrence J. Hogan, Jr., issued an [executive order](#) to extend all permits, licenses, registrations, and other governmental authorizations until after the state of emergency and catastrophic health emergency has ended. On January 4, 2022, the Governor issued [Executive Order 22.01.04.02](#) to address augmenting the emergency medical services (EMS) workforce to control and prevent the spread of COVID-19. Licensing, certification, and credentialing requirements of EMS providers were suspended to address staffing shortages.

State Expenditures: General fund expenditures increase, as discussed below, in fiscal 2023 and 2024. Despite the bill's emergency status, expenditures are not affected in fiscal 2022 as membership of the commission must be appointed.

Maryland Department of Health

MDH advises that the Office of Workforce Development (OWD) currently facilitates multiple programs through provider-focused activities, including the development of a statewide health care data center and a tracking system to monitor training, recruitment, and retention of health care workers in the State. OWD will assist the commission by compiling and analyzing relevant data regarding the health care workforce shortage, conducting research and analysis of specific health care services, assessing the impact of the health care workforce shortage, and coordinating the activities of the commission. Currently, OWD has only one part-time (70%) position and, thus, does not have sufficient staff to absorb these responsibilities.

Therefore, MDH general fund expenditures increase by \$62,096 in fiscal 2023. This estimate reflects the cost of hiring one full-time contractual health policy analyst to evaluate relevant workforce data, analyze programs and services, prepare reports, and complete other duties designated by the commission. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

	<u>FY 2023</u>	<u>FY 2024</u>
New Contractual Position	1.0	-
Salary and Fringe Benefits	\$54,488	\$25,230
Operating Expenses	<u>7,608</u>	<u>533</u>
Total MDH State Expenditures	\$62,096	\$25,763

This analysis assumes that the contractual position begins July 1, 2022. Fiscal 2024 expenditures reflect annual increases and employee turnover as well as annual increases in ongoing operating expenses. This estimate assumes the contractual position terminates December 31, 2023, concurrent with termination of the commission.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act (ACA).

Maryland Department of Veterans Affairs

MDVA advises that the Outreach and Advocacy Program does not have sufficient staff to absorb the responsibilities required under the bill. Therefore, MDVA general fund expenditures increase by \$35,360 in fiscal 2023. This estimate reflects the cost of hiring one part-time (50%) contractual administrative officer to evaluate relevant workforce data, analyze programs and services, prepare reports, and complete other duties designated by the commission. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

	<u>FY 2023</u>	<u>FY 2024</u>
New Contractual Position	0.5	-
Salary and Fringe Benefits	\$28,282	\$13,095
Operating Expenses	<u>7,078</u>	<u>266</u>
Total MDVA State Expenditures	\$35,360	\$13,361

This analysis assumes that the contractual position begins July 1, 2022. Fiscal 2024 expenditures reflect annual increases and employee turnover as well as annual increases in ongoing operating expenses. This estimate assumes the contractual position terminates December 31, 2023, concurrent with termination of the commission.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal ACA.

Maryland Longitudinal Data System Center

The MLDS Center advises that it does not have sufficient staff to absorb the responsibilities required under the bill. Therefore, general fund expenditures increase by \$62,096 in fiscal 2023. This estimate reflects the cost of hiring one full-time contractual research statistician to evaluate relevant workforce data, analyze programs and services, prepare reports, and complete other duties designated by the commission. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

	<u>FY 2023</u>	<u>FY 2024</u>
New Contractual Position	1.0	-
Salary and Fringe Benefits	\$54,488	\$25,230
Operating Expenses	7,608	533
Total MLDS Center State Expenditures	\$62,096	\$25,763

This analysis assumes that the contractual position begins July 1, 2022. Fiscal 2024 expenditures reflect annual increases and employee turnover as well as annual increases in ongoing operating expenses. This estimate assumes the contractual position terminates December 31, 2023, concurrent with termination of the commission.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal ACA.

Agency Participation on the Commission

The specified representatives from the Department of Commerce, the Maryland Higher Education Commission, the Maryland Department of Labor, MHCC, specified administrations within MDH, health occupations boards, and the University of Maryland, Baltimore Campus can likely participate on the commission with existing budgeted resources – particularly given the resources contemplated for the other agencies discussed above.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 440 (Senator Beidle) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Commerce; Maryland State Department of Education; Maryland Longitudinal Data System Center; Maryland Higher Education Commission; Maryland Department of Disabilities; Maryland Department of Health;

Maryland Department of Labor; Maryland Department of Veterans Affairs; Department of Legislative Services

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Analysis by: Amberly Holcomb

Direct Inquiries to:
(410) 946-5510
(301) 970-5510