

Department of Legislative Services  
 Maryland General Assembly  
 2024 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 1216 (Delegate Rose, *et al.*)  
 Health and Government Operations

High-Risk Pregnancy Reimbursement Fund - Establishment

This bill establishes a High-Risk Pregnancy Reimbursement Fund to provide reimbursement to an individual for unforeseen out-of-pocket health care costs related to the individual’s high-risk pregnancy. An individual may receive reimbursement of up to \$25,000 from the fund for each high-risk pregnancy. The Secretary of Health must administer the fund. Beginning in fiscal 2026, the Governor must include in the annual budget bill an appropriation of \$2.5 million to the fund.

Fiscal Summary

**State Effect:** General fund expenditures for the Maryland Department of Health (MDH) increase by at least \$81,300 beginning in FY 2025 for personnel; future years reflect annualization, inflation, and elimination of one-time costs. General fund expenditures and special fund revenues increase by \$2.5 million beginning in FY 2026, reflecting the mandated appropriation. Special fund expenditures increase by up to \$2.5 million annually beginning in FY 2026 to the extent that eligible individuals apply for and receive reimbursement from the fund. **This bill establishes a mandated appropriation beginning in FY 2026.**

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
SF Revenue	\$0	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
GF Expenditure	\$81,300	\$2,632,800	\$2,638,700	\$2,644,800	\$2,651,200
SF Expenditure	\$0	-	-	-	-
Net Effect	(\$81,300)	-	-	-	-

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

**Local Effect:** The bill does not directly affect local government operations or finances.

**Small Business Effect:** Minimal.

## Analysis

### Bill Summary:

#### *High-Risk Pregnancy Reimbursement Fund*

The fund is a special nonlapsing fund consisting of money appropriated in the State budget, interest earnings of the fund, and any other money from any other source accepted for the benefit of the fund. Expenditures from the fund may only be used for carrying out the purpose of the fund and must be made in accordance with the State budget. Any money expended from the fund is supplemental to and not intended to take the place of funding otherwise appropriated for carrying out the fund's purpose.

#### *Eligibility for Reimbursement*

An individual is eligible to apply for reimbursement from the fund if the individual:

- provides documentation (from a physician or other health care provider, as specified) that the pregnancy is high-risk for the pregnant individual and/or the fetus;
- provides documentation that the individual paid out-of-pocket costs for health care services associated with the pregnancy that were not covered or reimbursed by insurance; and
- applies for reimbursement of eligible costs within six months after the birth of the child or the loss of the pregnancy.

### Current Law:

#### *Medicaid Coverage in Pregnancy*

Maryland Medicaid covers pregnant women with incomes up to 138% of the federal poverty level (FPL). Pregnant women with incomes between 138% and 264% FPL may also qualify based on their pregnancy under the Sixth Omnibus Budget Reconciliation Act of 1986 category. Effective July 1, 2023, Medicaid provides coverage to noncitizen pregnant women who would be eligible for Medicaid but for their immigration status.

#### *Maternal Mortality Review Program*

Chapter 74 of 2000 established Maryland's Maternal Mortality Review Program. The purpose of the program is to (1) identify maternal death cases; (2) review medical records and other relevant data; (3) determine preventability of death; (4) develop

recommendations for the prevention of maternal deaths; and (5) disseminate findings and recommendations to policymakers, health care providers, health care facilities, and the public. Maternal mortality reviews are conducted by a committee of clinical experts from across the State, the Maternal Mortality Review Committee. The program must submit an annual report on findings, recommendations, and program actions to the Governor and the General Assembly.

### *Information about Perinatal Mood and Anxiety Disorders*

MDH (in consultation with stakeholders) must identify up-to-date, evidence-based, written information about perinatal mood and anxiety disorders that (1) has been reviewed by medical experts and national/local organizations specializing in maternal mental health; (2) is designed for use by health care providers, pregnant/postpartum women, and the families of pregnant/postpartum women; (3) is culturally and linguistically appropriate for potential recipients of the information; (4) includes contact information for national/local maternal mental health programs; and (5) includes information addressing:

- the signs and symptoms of perinatal mood and anxiety disorders;
- perinatal medication usage;
- risk factors of perinatal mood and anxiety disorders (including perinatal loss and high-risk pregnancy);
- how and when to screen for symptoms of perinatal mood and anxiety disorders;
- brief intervention strategies; and
- evidence-based psychosocial treatments.

MDH must provide the information identified to health care facilities and providers that provide prenatal care, labor and delivery services, and postnatal care to expectant parents and make the information available on the MDH website.

**State Fiscal Effect:** The bill establishes a mandated appropriation to a newly established special fund beginning in fiscal 2026. Thus, general fund expenditures and special fund revenues increase by \$2.5 million annually beginning in fiscal 2026. Special fund expenditures increase by up to \$2.5 million beginning in fiscal 2026 to the extent that individuals apply for and receive reimbursement from the fund (up to \$25,000 for each high-risk pregnancy).

MDH advises that it requires additional personnel to establish an application process, review reimbursement applications, and issue reimbursements to eligible applicants. The Department of Legislative Services agrees that additional personnel are likely necessary and advises that personnel must start in January 2025 to establish an application process before the mandated appropriation begins. As special fund may only be used to provide

reimbursement to an individual for unforeseen out-of-pocket health care costs related to the individual's high-risk pregnancy, this analysis assumes additional general funds are necessary beginning in fiscal 2025 for MDH to hire personnel.

Thus, MDH general fund expenditures increase by at least \$81,302 in fiscal 2025, which accounts for a start date of January 1, 2025. This estimate reflects the cost of hiring one program associate to establish an application process, review applications, and provide technical assistance to applicants; and one fiscal accounts technician to assist in establishing the application process, process reimbursements, and provide payments. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2.0
Salaries and Fringe Benefits	\$67,210
Operating Expenses	<u>14,092</u>
<b>Total FY 2025 State Expenditures</b>	<b>\$81,302</b>

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

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - March 13, 2024  
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Analysis by: Amber R. Gundlach

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