

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE

House Bill 115 (Delegate Benson)
 Environmental Matters

Community-Based Health Networks - Technical and Financial Assistance

This bill requires the Health Resources Planning Commission to conduct a study of health networks in medically underserved communities. The commission must report its findings to the General Assembly by January 1, 1998.

The commission must establish a program for the development of community-based health networks. The program is to provide technical and financial assistance (including grants) for the start-up of health care delivery networks, provide ongoing oversight of health care delivery networks, and establish advisory panels composed of representatives of target communities to evaluate the quality of care received in those communities.

Fiscal Summary

State Effect: Administrative expenditures could increase by \$36,300 in FY 1997. Expenditures could increase by an indeterminate additional amount to provide grants for the start-up of community-based health networks. Future year expenditures increase with annualization and inflation. Revenues are not affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	\$36,300	\$41,700	\$43,200	\$44,800	\$46,400
Net Effect	(\$36,300)	(\$41,700)	(\$43,200)	(\$44,800)	(\$46,400)

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

Local Effect: None.

Fiscal Analysis

State Expenditures: General fund expenditures could increase by an estimated \$36,299 in fiscal 1997, which reflects the bill's October 1, 1996 effective date. This estimate reflects the cost of hiring a Planner position in the Health Resources Planning Commission to conduct the study, provide technical assistance and continued oversight for health care delivery networks, and establish advisory panels. It includes salaries of \$22,018, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$29,626
Computer and Office Equipment	5,215
Other Operating Expenses	<u>1,458</u>
Total FY 1997 State Expenditures	\$36,299

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

In addition, general fund expenditures could increase by an indeterminate but significant amount to provide grants for the start-up of health care delivery networks. The increase depends upon the number of networks established and the amount of the grants, neither of which can be quantified beforehand.

Information Source(s): Health Resources Planning Commission, Department of Fiscal Services

Fiscal Note History: First Reader - January 22, 1996
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