**HB 237**

# Department of Fiscal Services

Maryland General Assembly

## FISCAL NOTE
## Revised

House Bill 237 (Delegate Hubbard, et al.)
Environmental Matters — Referred to Judicial Proceedings

**Lead - Childhood Lead Screening - Work Practices and Accreditation Exemption**

This amended emergency bill requires the Department of Health and Mental Hygiene (DHMH) to establish and administer a Lead Poisoning Screening Program for children.

## Fiscal Summary

**State Effect:** Indeterminate effect on overall revenues and expenditures. Expenditures for DHMH screening activities could increase by $15,200 in FY 1997, $85,800 in FY 1998, and $20,000 annually thereafter.

**Local Effect:** Indeterminate effect on expenditures with the potential for some increase in revenues.

## Fiscal Analysis

**Bill Summary:** The Maryland Department of the Environment (MDE) must provide assistance to local governments, if necessary, for case management for children with elevated blood lead levels at or above 15 ug/dl. If the blood level is between 15 ug/dl and 20 ug/dl, case management only consists of the notification of appropriate parties. The bill requires MDE to coordinate with various State agencies (including DHMH) and local health and environmental departments to develop a statewide plan for coordinated case management and follow-up for children with elevated blood lead levels by January 1, 1997, and to implement such a plan by March 1, 1997. The bill also provides that specified lead paint abatement requirements do not apply to repair, maintenance, renovation work, or risk reduction treatments in affected property that results in the disturbance of less than six square feet of a lead containing surface area, except for window removal or replacement.

DHMH's screening program must: (1) utilize all available payment mechanisms to cover lead

poisoning screening, including any federal reimbursements for Medicaid costs; (2) provide screening on a sliding fee scale basis at local health departments; and (3) target children under six years old in high risk areas.

The bill also provides that a parent of a child under the age of six who is entering a family day care home, a child care center, or a child care center in a State-occupied building must provide evidence of appropriate lead poisoning screening by a health care provider within 30 days of the child entering the care facility. Finally, the bill repeals the requirement that medical laboratories report results of erythrocyte protoporphyrin tests for children to MDE for the Childhood Lead Registry.

**Background:** Chapter 411 of 1994 established the Lead Paint Poisoning Prevention Program. The program provides limited liability relief for owners of rental property built before 1950 and others in exchange for the reduction of lead hazards in these older rental properties and limited compensation of children poisoned by lead. The program also provides increased public health intervention. The program receives funding from property registration fees: $10 annually for dwellings built before 1950 and $5 annually for non-affected properties built after 1949. Although the program was due to begin in October 1994, controversy over MDE's proposed regulations delayed full implementation of the program until February 1996.

State and local government facilities are exempt from statutory lead standards if they are subject to more stringent standards.

**State Effect:**

*Department of Health and Mental Hygiene - Screening Activities*

Due to the legislation's requirements, the Department of Health and Mental Hygiene (DHMH) would have an increase in workload as a result of promoting appropriate screening and providing lead poisoning screening in areas of highest priority. It is estimated that an additional 7,200 blood lead tests would occur in fiscal 1997; the number of tests would increase by approximately 10% in each of the out-years. DHMH advises that these workload increases can be handled with existing personnel, although expenditures on equipment and supplies increase. These costs would be approximately $20,000 per year ($15,200 in fiscal 1997 due to the bill's October 1, 1996 effective date), but in fiscal 1998 are expected to increase to $85,800 due to the need to replace one unit of testing equipment.

Some additional revenues might result due to the increase in testing. DHMH advises that only 8% of the children tested would have some form of insurance coverage or could pay a sliding fee. The amount of revenues resulting from these payments cannot be determined at

this time.

*Effect on Medicaid*

To the extent that any screening or local case management activities would qualify as Medicaid expenditures, federal fund reimbursements could potentially increase. A DHMH survey of a small sample of children with blood lead levels equal to or greater than 20 ug/dl suggests that 62% of these children are Medicaid participants. While it cannot be estimated at this time how many of the children that would be targeted for screening would be Medicaid participants, it is assumed to be close to 62%. Under current law, 50% of any additional Medicaid expenditures are reimbursable by federal funds. However, Congress is considering legislation that may cap the amount of funds that states receive under Medicaid. As a result, it is possible that any additional Medicaid expenditures will be funded entirely with general funds. It is not possible at this time to reliably estimate the magnitude of any increase in federal fund reimbursements resulting from testing and local case management activities.

*Maryland Department of the Environment*

The Maryland Department of the Environment (MDE) advises that it could handle the bill's requirements with existing budgeted resources. In making this determination, the department has assumed that all assistance provided to local governments for case management purposes would be technical. However, the Department of Fiscal Services advises that local governments could feasibly request financial assistance under this provision. To the extent that such financial assistance is requested and provided, State expenditures could increase.

Under this bill, there will be a decrease in the number of times that work on a property must follow work practice and accreditation requirements, which could affect the number of accredited workers, supervisors, and inspectors needed.

Application and renewal fees for these accreditations range from $100 to $200. To the extent that this legislation results in a decrease in demand for cleanup and inspection services, it is probable that fewer individuals would be applying for accreditations to do this work. Accreditation fee revenues would therefore decrease as would administrative expenditures on accreditation processing. MDE has budgeted $112,924 for inspection oversight in fiscal 1997; however, the amount of funding needed for this activity could decrease by an indeterminate amount under this legislation.

To the extent that any State-owned facilities exist that are not exempt from statutory lead standards, State expenditures associated with repair and risk reduction work could decrease.

**Local Effect:** The specific provisions in this legislation regarding case management could potentially increase local health department expenditures. Some amount of these activities are already required under the Lead Poisoning Prevention Program; however, this legislation

is more particular in its specifications and requirements. Local health department funding is a mix of federal, State, and local funds.

It is unclear if local governments would receive funding from MDE from the registration fees of affected properties to help support these activities. Any of such funding would depend upon the interpretation of MDE "assistance" to local governments under the bill. To the extent that local governments request financial assistance, State funding to local governments could potentially increase. However, the amount of such funding would be limited by the willingness and ability of MDE to provide these funds.

To the extent that any local government facilities exist that are not exempt from statutory lead standards, expenditures associated with repair and risk reduction work could decrease.

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**Information Source(s):** Maryland Department of the Environment, Department of Health and Mental Hygiene, Baltimore City, Department of Fiscal Services

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