

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 841 (Senator Bromwell)  
Finance

Referred to Environmental Matters

Task Force on Health Care Regulatory Reform

This amended bill establishes a 28-member Task Force on Health Care Regulatory Reform. The task force is required to evaluate and make recommendations on how to streamline the health regulatory process to the General Assembly and the Governor. The Departments of Legislative Reference and Fiscal Services are required to coordinate with other State agencies to staff the task force. The Department of Health and Mental Hygiene must contract with an independent consultant to evaluate the State's health care regulatory system. The task force is to determine the amount of funding necessary to hire the consultant, which may not exceed \$300,000. The Governor is required to evaluate the task force's funding request and, if reasonable, direct specified State health-related agencies to provide the funding for the consultant. A preliminary report is due by December 1, 1997 and a final report is due December 1, 1998.

The bill takes effect June 1, 1997.

Fiscal Summary

**State Effect:** General fund expenditures would increase by up to \$200,000 in FY 1998 and up to \$100,000 in FY 1999. Revenues would not be affected.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	200,000	100,000	0	0	0
Net Effect	(\$200,000)	(\$100,000)	\$0	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** Potential meaningful effect on small businesses as discussed below.

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## Fiscal Analysis

**State Expenditures:** General fund expenditures would increase by up to \$200,000 in fiscal 1998 and \$100,000 in fiscal 1999 for the independent consultant hired to evaluate the State's health care regulatory system. It is assumed that two-thirds of the funds would be spent in fiscal 1998 and one-third in fiscal 1999.

Task force members would serve without compensation but would be reimbursed for expenses under the standard State travel regulations. Any such expenditures would depend upon the time, location, and frequency of the task force's meetings. Both staffing and reimbursement expenses are assumed to be minimal and absorbable within existing agency resources.

**Small Business Effect:** To the extent that the task force's recommendations result in a streamlined health regulatory process, health care facilities and health insurers that are small businesses could benefit from consolidation and any resulting streamlining of State health care regulations.

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**Information Source(s):** Department of Health and Mental Hygiene, Insurance Administration, Department of Fiscal Services

**Fiscal Note History:** First Reader - March 11, 1997

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Revised - Senate Third Reader - March 28, 1997

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