

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 404 (Chairman, Finance Committee)

(Departmental - Health and Mental Hygiene)

Finance

Referred to Environmental Matters

Maryland Medical Assistance Program - Recovery of Payments

This amended departmental bill specifies that a claim filed by the Department of Health and Mental Hygiene (DHMH) against the estate of a deceased program recipient will be barred unless it is presented within the earlier of: (1) six months after the first appointment of a personal representative; or (2) two months after the personal representative mails or delivers a notice informing DHMH that its claim will be barred unless it presents its claim within two months. An attorney representing a program recipient on a claim to which DHMH has a right of subrogation must notify DHMH prior to filing the claim. The attorney must allow DHMH three business days from the receipt of the notice to establish its subrogated interest.

Fiscal Summary

State Effect: Contingent upon enactment of the bill as amended, FY 1998 Medicaid revenues could increase by an estimated \$480,000, of which \$240,000 is general funds and \$240,000 is federal funds. The estimate reflects the October 1, 1997 effective date. Future year revenues account for annualization.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$240,000	\$320,000	\$320,000	\$320,000	\$320,000
FF Revenues	\$240,000	\$320,000	\$320,000	\$320,000	\$320,000
GF Expenditures	---	---	---	---	---
Net Effect	\$480,000	\$640,000	\$640,000	\$640,000	\$640,000

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

Local Effect: None.

Small Business Effect: The Department of Health and Mental Hygiene has determined that this bill has a meaningful impact on small businesses (attached). Fiscal Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Revenues: Contingent upon enactment of the bill as amended, Medicaid recoveries would increase by an estimated \$480,000 in fiscal 1998, of which \$240,000 is general funds and \$240,000 is federal funds. This estimate reflects the October 1, 1997 effective date. The estimate accounts for an increase in recoveries of (1) \$150,000 from mandatory attorney referrals; and (2) \$330,000 from shifting the initiation of the time limit for recoveries from the date of death to the opening date of the estate of the deceased. The estimate also assumes a recovery of 21.5% of the value of all Medicaid claims filed. In 1995, about \$2 million in Medicaid claims were not timely filed. Future year revenues are estimated to be \$640,000 annually, which reflect annualization.

Information Source(s): Department of Health and Mental Hygiene (Medical Care Policy Administration), Register of Wills, Department of Fiscal Services

Fiscal Note History: First Reader - February 18, 1997
mld Revised - Senate Third Reader - March 28, 1997
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