

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 96 (Chairman, Finance Committee)

(Departmental - Health and Mental Hygiene)

Finance

Referred to Environmental Matters

Admissions to State Psychiatric Hospitals - Payment for Services or Treatment

This departmental bill specifies that local jurisdictions are not responsible for payment of services when a prisoner is admitted to a State psychiatric hospital.

Fiscal Summary

State Effect: Potential annual general fund revenue loss of up to \$435,000 as discussed below, although the department has not been billing local jurisdictions for these services since July 1995. Expenditures would not be affected.

Local Effect: Potential expenditure decrease of up to \$435,000 for all jurisdictions combined.

Small Business Effect: The Department of Health and Mental Hygiene has determined that this bill has minimal or no effect on small business (attached). Fiscal Services concurs with this assessment.

Fiscal Analysis

Background: The Legislative Auditor recommended in the June 1996 audit report for the Department of Health and Mental Hygiene (DHMH), Office of the Secretary, that DHMH (1) reinstitute billings to local governments for the cost of psychiatric care provided to prisoners and take action to recover those accounts receivables for psychiatric care services previously provided; or (2) obtain an Opinion of the Attorney General as to why such amounts should not be billed and recovered. Section 16-102 of the Health General Article provides that it is the policy of the State to require each recipient of services and any chargeable party to pay, if financially able, for the cost of care provided by the State. In 1995, DHMH discontinued

billings to all local governments for the cost of prisoner psychiatric care and ceased collection on accounts receivables totaling \$0.8 million, citing the financial burden on local governments. However, an Attorney General's February 1995 opinion indicated that the local governments had an obligation under existing State law to provide the appropriate local government entity (e.g., county Sheriff's Office) with a budget that would encompass the cost of providing health care to prisoners.

State Revenues: The bill's requirements could result in a potential loss of general fund revenues of up to \$435,000 annually, based on previous year billings. The department has not been billing local jurisdictions for these services since July 1995.

Information Source(s): Department of Health and Mental Hygiene, City of Baltimore, Prince George's County, Department of Fiscal Services

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Analysis by: Sue Friedlander
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710