Department of Fiscal Services

Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1138 (Delegate Hubbard, *et al.*)
Environmental Matters — Referred to Judicial Proceedings

Childhood Lead Screening Program

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: General fund salary expenditures could increase by $156,800 in FY 1998; out-year expenditures could increase due to case management activities. Potential significant expenditures could be incurred due to blood screening. Long-term expenditures on health care and education could potentially decrease. Potential significant increase in federal fund and special fund revenues.

Local Effect: Indeterminate effect on expenditures; revenues would not be impacted.

Small Business Effect: Potential meaningful impact on small business as discussed below.

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, 1998, and to implement such a plan by March 1, 1998.

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, who must be screened.

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 nonaffected 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 Effect: Since most of the requirements of this bill affect the local health departments and DHMH, MDE should be to handle the bill's requirements to provide technical assistance with existing budgeted resources. While the screening program would presumably increase the number of children tested for lead poisoning, DHMH advises that the federal grant currently covering such activities is sufficient to handle any additional testing. It is not clear if the department will seek additional revenues for these activities through fees and insurance reimbursements.

DHMH estimates that two community health nurses would be needed in each Baltimore City and Prince George's County. Over 90% of the elevated lead cases and 87% of the existing case management cases are in these two areas. DHMH also believes that the 22 other local health departments would need an additional part-time Community Health Nurse; total personnel costs are estimated at approximately $540,000. DHMH advises that the majority of funding for these positions would be State general funds; it is presumed that these funds would be in addition to the Targeted Health Services funding to local jurisdictions for public health services. The proposed fiscal 1998 budget includes $42.5 million in Targeted Health Services general funds.

Since the bill requires screening of high-risk children, DHMH estimates further costs of $288,000 due to physician visits and lab work. DHMH also advises that it will need a Nurse Program Administrator to oversee the program, which will require general fund expenditures of $34,000 in fiscal 1998. This is based on an additional 10,700 children being screened, of whom 30% (3,200) are estimated to be uninsured. Costs are estimated at $90 for each of the 3,200 individuals.

The Department of Fiscal Services (DFS) advises that additional positions would be needed to handle case management activities in Baltimore City and Prince George's County,

particularly since the screening program is supposed to target high risk areas. However, a lot more cases are expected in Baltimore City than in Prince George's County. In addition, any increase in personnel for the other 22 counties would depend upon the level of screening conducted in those counties and the incidence of lead poisoning found. It is expected that in many of these counties any increase would be minimal and could be absorbable within existing resources.

Therefore, two additional nurses would be needed in Baltimore City, and one in Prince George's County. In addition, one Nurse Administrator would be needed to oversee the entire program. These four additional positions would cost $156,800 in fiscal 1998. Out-year expenditures would increase due to inflation as shown below:

FY 1999	$157,200
FY 2000	$162,900
FY 2001	$168,900
FY 2002	$175,100

Out-year expenditures could also increase depending upon the need for any additional personnel to handle increased caseloads. DHMH had originally advised that lab testing for this program could be handled with the resources from an existing federal grant. DFS advises that DHMH has not provided the detailed information necessary to justify increased costs of $288,000.

To the extent that any 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 these children that would be targeted for screening would be Medicaid participants, it is assumed to be close to 62%. Fifty percent of any additional Medicaid expenditures are reimbursable by federal funds. It is not possible at this time to reliably estimate the magnitude of any increase in federal fund reimbursements resulting from local case management activities.

To the extent that the lead screening program results in earlier intervention in lead poisoning cases, long-term costs attributable to health care and education for affected individuals could decrease.

Local Effect: To the extent that local funds are also used for case management activities as described above, local expenditures would increase. To the extent that the lead screening program results in earlier intervention in lead poisoning cases, long-term costs attributable to health care and education for affected individuals could decrease.

Small Business Effect: Under this bill, the Lead Poisoning Screening Program that is established will screen additional children for lead poisoning and target children under the

age of six in high risk areas. To the extent that these screening activities increase the number of children that are discovered to have lead poisoning, this could impact landowners should the families of the children be in a rental arrangement.

The Lead Paint Poisoning Program (established under Chapter 411 of 1994) provides for limited compensation by owners of rental properties to children who are poisoned by lead. A "qualified offer" by a landowner in such instances covers up to $7,500 for all medically necessary treatments and up to $9,500 for relocation benefits.

In addition, the discovery of a lead poisoning in a rental unit could necessitate the landowner's compliance with modified risk reduction standards in the unit. There are an estimated 25,000 to 30,000 properties, which are assumed to comprise about 200,000 units, in MDE's registry of "affected properties." It should be noted that a large number of properties that could potentially be affected are not currently registered.

Any increase in the number of lead cleanups conducted would affect those businesses in the cleanup industry. There are 118 certified lead paint inspectors, 219 certified abatement contractors, and 11 certified training inspectors in the State, almost all of which are small businesses. Abatement can cost up to $20,000 per housing unit.

DHMH estimates that 70% of the additional children being screened would be covered through Managed Care Organizations or other private insurers. However, none of these would qualify as small businesses. The bill's provisions regarding furnishing proof of lead poisoning screening to a child care center could lead to a minimal increase in expenditures for these facilities if they need to keep records on lead screening for all the children that are supervised.

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

Fiscal Note History: First Reader - February 18, 1997
nrd Revised - House Third Reader - March 31, 1997

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