

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 1429 (Delegate Hurson)  
Environmental Matters

---

Medicaid - Children with Special Health Care Needs Council

---

This bill establishes a 13-member Children with Special Health Care Needs Council in the Department of Health and Mental Hygiene. The council is required to (1) conduct a monthly review of the Maryland Medicaid Managed Care Program and the Specialty Mental Health Program to determine the number of referrals made for specialty care for “children with special health care needs”; (2) coordinate information gained from the monthly review of the managed care and specialty mental health programs with data from the early periodic screening diagnosis and treatment program; (3) annually review the Rare and Expensive Case Management Program in order to make recommendations on whether additional diagnostic groups should be added or deleted from the program; and (4) annually review the Risk Adjusted Capitation Program of the Maryland Medicaid Managed Care and such programs in other states to determine which capitation program will best serve children, including children with special health care needs.

---

Fiscal Summary

**State Effect:** Medicaid program administrative expenditures could increase by an estimated \$97,800 in FY 1998, of which \$48,900 is federal funds and \$48,900 is general funds. The estimate is based on the October 1, 1997 effective date. Future year expenditures reflect annualization and inflation. Revenues would not be affected.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	---	---	---	---	---
GF Expenditures	\$48,900	\$56,000	\$58,100	\$60,200	\$62,400
FF Expenditures*	48,900	56,000	58,100	60,200	62,400
Net Effect	\$97,800	\$112,000	\$116,200	\$120,400	\$124,800

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

\* federal fund expenditures are reimbursable by the federal government

**Local Effect:** None.

**Small Business Effect:** None. Small businesses would not be directly affected.

---

### Fiscal Analysis

**Bill Summary:** The bill requires the council to report monthly to the Secretary of Health and Mental Hygiene for the first two years of the council's existence and quarterly thereafter. Also, the council must report quarterly to the General Assembly for the first two years and annually thereafter.

**State Effect:** Administrative expenditures for the Medicaid program would increase by approximately \$97,864 in fiscal 1998 (\$48,932 federal funds and \$48,932 general funds), which reflects the October 1, 1997 effective date. This estimate includes the cost of hiring one Administrator, one Data Program Analyst, and one Secretary to provide staff support to the council and to collect and compile the data required by the bill. It includes salaries, fringe benefits, and ongoing operating expenses.

Salaries and Fringe Benefits	\$81,881
Operating Expenses	<u>15,983</u>
<b>Total FY 1998 State Expenditures</b>	<b>\$97,864</b>

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

It is assumed that council members would be eligible for expense reimbursements according to the standard State travel regulations. Expense reimbursements would depend upon the time, location, and frequency of the task force's meetings. It is expected that reimbursements for the members (all non-governmental) could be handled with the Department of Health and Mental Hygiene's existing resources.

---

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

**Fiscal Note History:** First Reader - March 5, 1997  
ncs

---

Analysis by: Lina Walker	Direct Inquiries to:
Reviewed by: John Rixey	John Rixey, Coordinating Analyst
	(410) 841-3710
	(301) 858-3710