

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 684 (Delegate C. Davis. *et al.*)

Environmental Matters

Department of Health and Mental Hygiene - Osteoporosis Prevention and Education Program

This bill requires the Department of Health and Mental Hygiene (DHMH) to establish an Osteoporosis Prevention and Education Program to promote awareness of osteoporosis causes, treatment, and prevention among the public and health care providers. It establishes a 17-member Osteoporosis Advisory Council in DHMH to make recommendations concerning implementation of the program and requires DHMH to staff the council. The bill requires DHMH to: (1) conduct a needs assessment to identify available educational materials, needs of osteoporosis patients, and needs of health care providers; and (2) seek any federal waiver necessary to maximize federal fund reimbursement to implement the program. DHMH is to evaluate the program's effectiveness by December 1 of each year and submit a report with its findings to the Governor and General Assembly.

Fiscal Summary

State Effect: General fund expenditures increase by \$444,100 in FY 1999; future year expenditures increase with annualization and inflation. Revenues would not be affected.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	444,100	571,300	580,600	590,100	599,900
Net Effect	(\$444,100)	(\$571,300)	(\$580,600)	(\$590,100)	(\$599,900)

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

Local Effect: Revenues to local health departments could increase by up to \$187,500; expenditures could increase by an equal amount.

Small Business Effect: None.

Fiscal Analysis

State Expenditures: DHMH advises that general fund expenditures could increase by an estimated \$702,938 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of five full-time equivalent positions, or seven people, (one Nutritionist, one Nurse Program Administrator, one Coordinator/Special Programs, one Office Secretary, and a part-time Epidemiologist, Physical Activity Consultant, and Budget Specialist) to develop a public awareness campaign, develop a health professional education campaign, conduct a needs assessment, staff the advisory council, analyze the extent of osteoporosis in Maryland, develop educational materials, manage the reporting of expenditures, and provide clerical support. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The DHMH estimate also includes \$495,000 in contractual services, which consists of: (1) \$187,500 for a media campaign to raise the general public's awareness; (2) \$187,500 for mini-grants to local health departments to educate their clientele; and (3) \$120,000 to educate health care professionals.

The Department of Legislative Services (DLS) advises, however, that general fund expenditures could increase by an estimated \$444,149 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of hiring four positions (one Nutritionist, one Nurse Program Administrator, one Office Secretary, and a part-time Epidemiologist). It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The DLS estimate includes only \$307,500 in contractual services, which consists of: (1) \$187,500 for a media campaign to raise the general public's awareness and mini-grants to local health departments; and (3) \$120,000 to educate health care professionals.

The DLS estimate reduces the number of positions assumed in the DHMH estimate by a total of 1.75. The Coordinator/Special Programs position is to staff the advisory council; DLS advises that staffing the advisory council can be accomplished either within existing budgeted resources or one of the other new positions associated with the osteoporosis program. The part-time Physical Activity Consultant to develop educational materials does not seem necessary given the funds anticipated on being spent for publicity campaigns. The part-time Budget Specialist may be needed, but not necessarily as a direct result of the bill's requirements. Moreover, the DLS estimate reduces contractual services, assuming that a total of \$187,500 in fiscal 1999 should be sufficient to provide grants to local health departments and raise the general public's awareness of the osteoporosis problem.

Salaries and Fringe Benefits	\$102,509
Publicity Campaigns	307,500

Other Operating Expenses	<u>34,140</u>
Total FY 1999 State Expenditures	\$444,149

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

Local Revenues: Revenues to local health departments could increase by up to \$187,500 in fiscal 1999, depending on DHMH's judgment as to how to distribute education/publicity funds.

Additional Comments: Other similar chronic disease prevention programs within the Community and Public Health Administration include \$224,000 in federal funds for a diabetes control program and \$2.3 million (\$0.4 million general funds; \$1.9 million federal funds) for a cardiovascular disease control program. The diabetes program includes \$145,000 in permanent and contractual positions and \$56,000 in grants to managed care organizations; the cardiovascular program includes \$361,000 in permanent and contractual positions and \$1.6 million in grants to local jurisdictions. One factor in the variation in grant amounts to local health departments is due to whether a particular disease is statewide or particular jurisdictions need to be targeted. In the case of osteoporosis, the incidence is assumed to be distributed equally among the jurisdictions.

Information Source(s): Department of Health and Mental Hygiene (Community and Public Health Administration), Department of Legislative Services

Fiscal Note History: First Reader - March 4, 1998

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