

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

Revised

Senate Bill 634 (Senator Roesser. *et al.*)

Finance

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Breast Cancer Program

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This bill requires the Department of Health and Mental Hygiene (DHMH) to establish a Breast Cancer Program (program) for women 40 and older who: (1) come from families with income at or below 250% of the federal poverty level; and (2) do not have access to health insurance coverage that covers screening mammograms and clinical breast examinations. The program must provide: (1) at least biennial breast cancer screening services to eligible women between 40 and 49 years; (2) annual breast cancer screening services to eligible women 50 years and older; and (3) diagnosis and treatment for breast cancer to eligible individuals. The program must award grants to local health departments that arrange with health care facilities to provide the screening mammograms and clinical breast examinations to eligible individuals.

The bill directs the Governor to include in the annual budget each fiscal year an appropriation for the program at least equal to the fiscal 1999 appropriation for breast cancer screening, diagnosis, and treatment. DHMH must report to the General Assembly on its progress and plans for implementing the program, including funding for screening, diagnosis, and treatment, by January 1, 1999.

The bill takes effect July 1, 1998.

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Fiscal Summary

**State Effect:** The FY 1999 budget includes \$1.6 million to fund breast cancer screening services and \$1 million for diagnosis and treatment programs. Future year expenditures would be at least \$2.6 million annually. No effect on revenues.

(in millions)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$0	\$0	\$0	\$0	\$0

GF Expenditures	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6
Net Effect	(\$2.6)	(\$2.6)	(\$2.6)	(\$2.6)	(\$2.6)

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

**Local Effect:** Total revenues and expenditures for local health departments could increase by \$2.6 million annually, beginning in FY 1999.

**Small Business Effect:** Potential meaningful.

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## Fiscal Analysis

**Background:** The federal Centers for Disease Control and Prevention (CDC) Breast and Cervical Cancer Screening Program is a federal grant program that pays for breast and cervical cancer screenings for uninsured or underinsured Maryland women 50 or older and from families with income under 250% of the federal poverty level. The grant is administered by DHMH and awarded to local health departments in each jurisdiction in the State. The local health departments subcontract with community-based medical providers to provide the clinical services. Approximately \$3.6 million in federal funds was received for the CDC program in each of fiscal 1996 and 1997, of which \$3.2 million was awarded to local health departments each year. The CDC program covered 8,943 visits in fiscal 1996 and 9,638 visits in fiscal 1997.

The Health Services Cost Review Commission's (HSCRC) Coordinated Breast Cancer Screening Program within its Illness Prevention Program (IPP) provided breast cancer screening for uninsured or underinsured women in Maryland. The HSCRC program was a hospital-based program which was funded through hospital rates: participating hospitals could raise the rates of regulated hospital services to cover the cost of breast cancer screening. Women eligible for the CDC program could receive services through the HSCRC program, but the program also covered women who did not meet the eligibility criteria of the CDC program. The HSCRC's program terminated on June 30, 1997. Over the course of the program, approximately \$15 million had been expended on breast cancer screening. In the last three years of the program (fiscal 1995, 1996, 1997), approximately \$4 million was spent each year for breast cancer screening. Some of the hospitals that participated in the HSCRC program are continuing some level of breast cancer screening with other sources of funding.

The IPP was replaced with a new program called the Uncompensated Care Grant Program (UCGP). While breast cancer screening programs may be candidates for funding under UCGP, hospitals would have to apply and receive approval for a breast cancer screening program that demonstrates to reduce the level of uncompensated care in the short-run and the programs would not be permanently funded.

In addition, there is a State-funded Breast and Cervical Cancer Diagnosis and Treatment Program. The program pays for diagnosis and treatment for uninsured and underinsured women from families with income under 250% of the federal poverty level.

**State Expenditures:** The fiscal 1999 budget includes \$2,665,512 to augment the existing federally-funded CDC Breast and Cervical Cancer Screening Program and the State-funded DHMH Breast and Cervical Cancer Diagnosis and Treatment Program. Approximately \$1.6 million would be directed towards screening services, while the remaining \$1 million would be spent on diagnosis and treatment for uninsured, low-income women between 40 and 49 years.

The fiscal 1999 funding for screening and treatment includes: (1) \$2,457,750 in grants to local health departments; and (2) \$142,250 to cover administrative costs. The estimate for administrative costs accounts for four positions (one Fiscal Specialist, one Agency Budget Specialist, one Nurse Program Administrator Consultant, and one Office Secretary) to administer the program. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Grants to Local Health Departments	\$2,428,695
Salaries and Fringe Benefits	142,250
Operating Expenses	<u>29,055</u>
<b>Total FY 1999 State Expenditures</b>	<b>\$2,600,000</b>

Future year general fund expenditures would be at least \$2.6 million annually.

**Small Business Effect:** Local health departments subcontract with community-based providers to perform the screening and treatment required by this bill. Some of these providers would be small businesses. The bill provides an additional \$2.6 million for breast cancer screening and treatment in fiscal 1999. Thus, revenues to small business providers who participate in the program could increase.

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**Information Source(s):** Department of Health and Mental Hygiene (Medical Care Policy Administration, Community and Public Health Administration, Health Resources Planning Commission, Division of Cancer Control, Health Services Cost Review Commission); Department of Legislative Services

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