

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 729 (Senators Hollinger and Dorman)

Finance and Economic and Environmental Affairs

School-Based Health Centers - Reimbursement

This bill requires a health maintenance organization (HMO) or a managed care organization (MCO) operating in the State to reimburse school-based health centers when a patient is self-referred for: (1) at least four acute care visits and four follow-up visits per semester; and (2) an annual comprehensive health care visit equivalent to an EPSDT visit. In order to be reimbursed by an HMO or MCO, the school-based health center must use a physician or licensed nurse practitioner as a primary care provider.

The Maryland State Department of Education (MSDE), in consultation with the Department of Health and Mental Hygiene (DHMH) and the Office of Children, Youth, and Families (OCYF) must submit a report to the Senate Economic and Environmental Affairs Committee and the House Environmental Matters Committee by January 1, 1999. The report must include the number of HMOs and MCOs that have contracted with school-based health centers and DHMH's policy concerning the reimbursement of school-based health centers and nurse practitioners by HMOs and MCOs.

This bill takes effect July 1, 1998.

Fiscal Summary

State Effect: None. The bill's requirements should not cause HMO premiums to increase.

Local Effect: Indeterminate increase in local school revenues. Expenditures are not affected.

Small Business Effect: None. HMOs and MCOs are not small businesses.

Fiscal Analysis

Local Effect: School-based health centers are operated in eight local school districts. Unlike regular school health programs that only provide periodic health screenings, maintain student health and immunization records, and assist students with special health needs, school-based health centers are staffed by physicians or nurse practitioners who are authorized to treat students' acute health care needs. School-based health centers are similar to medical clinics operated by family practitioners, in that either the attending physician or nurse practitioner can diagnose the student's health problem and prescribe prescription medication. Approximately 34,000 students visit school-based health centers each year. In Baltimore County, school-based health centers cost approximately \$350,000 to operate, which does not include the in kind support that the centers receive from the local health department. **Exhibit 1** shows the number of school-based health centers in each school district.

Exhibit 1
School-Based Health Centers

Local School District	Number of Health Centers
Baltimore City	16
Baltimore County	13
Caroline	2
Dorchester	1
Harford	1
Montgomery	2
Prince George's	1
Talbot	3
Total	39

Source: Maryland State Department of Education

Funding for school-based health centers is provided through federal, State, and local grants and through in kind support from local health departments. Local school systems attempt to recoup a portion of the centers' cost through billing health insurance companies, HMOs, and MCOs.

Even though State regulations (COMAR 10.09.68) require MCOs to reimburse school-based

health centers for the costs of diagnosis, treatment, and uncomplicated follow-up (limited to one follow-up visit) of acute or urgent somatic illness, many school-based health centers are not being reimbursed. For example, the Baltimore County School System has not received payment on over \$30,000 in bills that were sent to MCOs.

Accordingly, this bill would enable local school systems to recoup these and other costs generated at school-based health centers from HMOs. MCOs are already required to reimburse school-based health centers for specified costs. The total impact on local school systems would depend on the amount that HMOs and MCOs are required to pay and whether the HMOs and MCOs are currently reimbursing the local school system. It is advised that local school systems may not be able to operate existing school-based health centers or to establish new centers unless they are adequately reimbursed by the HMOs and MCOs.

Information Source(s): Maryland State Department of Education, Department of Health and Mental Hygiene, Baltimore County Public Schools

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