

**Department of Legislative Services**  
 Maryland General Assembly  
 1999 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 757 (Senator Madden)

Finance

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**Maryland Medical Assistance Program - Enrollees Under Age 21 - Therapy Services**

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This bill requires the Department of Health and Mental Hygiene (DHMH) to exclude therapy services from the services that Medicaid managed care organizations (MCOs) are required to provide to enrollees under 21 years. Instead, the bill requires DHMH to provide therapy services to MCO enrollees under 21 years on a fee-for-service basis if: (1) the services are provided in accordance with a written treatment plan developed by the therapy service provider and the enrollee, or the enrollee’s guardian or parent; and (2) the therapy service provider communicates regularly with the enrollee’s primary care provider about the treatment and health status of the enrollee.

The bill requires DHMH to conduct two studies and provides that DHMH may grant up to \$50,000 in Medicaid funds for outreach services to children with special health care needs. The provisions relating to the studies and the outreach grants take effect July 1, 1999.

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**Fiscal Summary**

**State Effect:** Medicaid expenditures would increase by up to \$50,000 annually, beginning in FY 2000, of which \$25,000 is general funds and \$25,000 is federal funds. Revenues would not be affected.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
FF Expenditures*	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Net Effect	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

\* - federal fund expenditures are reimbursable by the federal government

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**Fiscal Analysis**

**Bill Summary:** DHMH must assess whether Medicaid enrollees under 21 years are

receiving Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) screening and if appropriate follow-up care is accorded if the individual is diagnosed with a special health care need. A preliminary report of the findings of the study must be presented to the Governor and the General Assembly by December 1, 1999. The final report, with recommendations, must be completed by December 1, 2000.

In addition, DHMH must study the extent to which risk-based capitation payments are made by MCOs to primary care providers in the State's HealthChoice program and in managed care arrangements across the country. The study must consider the feasibility and desirability of promoting such a payment arrangement in the HealthChoice program. The findings of this study must be reported to the Governor and the General Assembly by December 1, 1999.

**State Expenditures:** Medicaid expenditures would increase by up to \$50,000 annually (\$25,000 in general funds and \$25,000 in federal funds) beginning in fiscal 2000 from the award of grants for outreach to special needs children. The department intends to carve-out an amount from MCO capitation rates to pay for therapy services provided on a fee-for-service basis. Consequently, that provision of the bill will not impact finances for the Medicaid program. The studies required by the bill could be handled with existing budgeted resources.

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

**Fiscal Note History:** First Reader - March 10, 1999  
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