

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE
 Revised

Senate Bill 519 (Senator Lawlah. *et al.*)

Economic and Environmental Affairs

Education - Maryland Dent-Care Program

This bill establishes the Maryland Dent-Care Program, administered by the State Scholarship Administration (SSA) with the assistance of the Department of Health and Mental Hygiene (DHMH). The program provides higher education loan assistance grants to Maryland dentists who agree that 30% of their patients will be Medicaid enrollees. The program may provide a \$33,000 grant to an eligible dentist and may provide a maximum of five grants per year. Enrollment in the program is limited to 15 dentists at any given time. The SSA, in collaboration with DHMH, must adopt regulations to carry out the bill's requirements, including establishing loan repayment requirements if a dentist fails to comply with the program's requirements.

The bill takes effect June 1, 2000.

Fiscal Summary

State Effect: General fund expenditures for FY 2001 would increase by \$244,600, of which \$165,000 is included in the FY 2001 budget for Dent-Care program grants. Future year expenditures reflect annualization, inflation, and grant utilization. Revenues would not be affected.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	\$244,600	\$423,000	\$592,300	\$599,400	\$601,600
Net Effect	(\$244,600)	(\$423,000)	(\$592,300)	(\$599,400)	(\$601,600)

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

Local Effect: None.

Small Business Effect: Meaningful. Dentists who are also considered small businesses may be eligible to receive grants of \$33,000 annually for three years.

Analysis

Current Law: There are no provisions for loan repayment assistance for dentists based on serving Medicaid enrollees.

State Fiscal Effect: SSA general fund administrative expenditures will increase by \$36,455 in fiscal 2001. DHMH general fund expenditures will increase by an estimated \$44,107 in fiscal 2001. Future year expenditures reflect inflation.

State Scholarship Administration:

Grant Costs: Total grant expenditures for fiscal 2001 are estimated to be \$165,000. The bill authorizes awarding a \$33,000 grant to a dentist who meets the bill's requirements. The bill also limits the awards of grants to five dentists per year ($\$33,000 \times 5 = \$165,000$). Future year expenditures reflect the award of five additional grants per year, until the maximum enrollment in the grant program of 15 dentists is reached ($\$33,000 \times 15 = \$495,000$). The fiscal 2001 budget includes \$165,000 for Dent-Care program grants.

Administrative Costs: It is estimated that State Scholarship Administration general fund expenditures will increase by \$35,455 in fiscal 2001, which accounts for a 90-day start-up delay. It reflects the cost of hiring one administrative specialist to staff the Dent-Care unit. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salary and Fringe Benefits	\$28,995
Operating Costs	<u>6,460</u>
Total FY 2001 Administrative Expenditures	\$35,455

Future year expenditures reflect: (1) a full salary with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Department of Health and Mental Hygiene:

Office of Oral Health: General fund expenditures for the Office of Oral Health within DHMH would increase by an estimated \$44,107 in fiscal 2001, which accounts for a 90-day start-up delay. This estimate reflects the cost of one program administrator position to recruit dentists and determine if the participants and their practice settings meet the Maryland Dent-Care program requirements. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salary and Fringe Benefits	\$36,962
Operating Costs	<u>7,145</u>
Total FY 2001 DHMH Expenditures	\$44,107

Future year expenditures reflect: (1) a full salary with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Medicaid: Medicaid currently covers dental services for children only. Dentist participation in the program will increase the availability of dental care to children enrolled in Medicaid in under-served areas. Any increase in services rendered to Medicaid enrollees is not expected to impact on Medicaid expenditures.

Additional Information

Prior Introductions: None.

Cross File: HB 543 (Delegate Hammen, *et al.*) - Ways and Means.

Information Source(s): Maryland Higher Education Commission (State Scholarship Administration), Department of Health and Mental Hygiene (Medicaid), Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2000
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