

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE****Revised**

House Bill 1032 (Delegate Guns)

Environmental Matters

Finance

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**Maryland Health Care Commission - Fees**

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This bill increases the Maryland Health Care Commission (MHCC) annual user fee assessment from \$8,250,000 to \$10,000,000.

The bill also repeals the user fee assessment proportions for various types of users. Instead, MHCC must use a methodology that accounts for the portion of its workload attributable to each user and recalculate workload distribution every four years.

MHCC must adopt regulations that permit a waiver of the user fee assessment for certain health care practitioners.

The bill takes effect July 1, 2001.

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**Fiscal Summary**

**State Effect:** MHCC special fund revenues and expenditures would each increase by \$350,000 in FY 2002. Future year estimates reflect a five-year phase-in of the \$1.75 million increase in the user fee cap.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
SF Revenue	\$350,000	\$700,000	\$1,050,000	\$1,400,000	\$1,750,000
SF Expenditure	350,000	700,000	1,050,000	1,400,000	1,750,000
Net Effect	\$0	\$0	\$0	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** Minimal. MHCC's annual user fee assessment is passed on to health care practitioners through biennial licensure fees.

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## Analysis

**Current Law:** MHCC is special funded by user fees assessed on: (1) hospitals; (2) nursing homes; (3) health insurance payors; and (4) health care practitioners. The annual user fee cap is \$8.25 million.

**State Fiscal Effect:** MHCC intends to phase in the user fee increase over five years. Accordingly, special fund revenues would increase by \$350,000 in fiscal 2002, and by an additional \$350,000 each year thereafter. Special fund expenditures are expected to closely match revenues to cover ongoing MHCC operations.

MHCC's fiscal 2001 appropriation is \$7.79 million and its fiscal 2002 appropriation is \$8.21 million. Future year expenditures are expected to exceed the current \$8.25 million user fee cap.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene (Maryland Health Care Commission), Department of Legislative Services

**Fiscal Note History:** First Reader – March 3, 2001  
ncs/jr Revised – House Third Reader – March 30, 2001  
Revised – Enrolled Bill – May 2, 2001

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