

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE**House Bill 813 (Delegate Cane, *et al.*)

Environmental Matters

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**Medical Assistance and Children's Health Programs - Care of Newborns**

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The Department of Health and Mental Hygiene (DHMH), to the extent permitted and subject to the limitations of the State budget, must develop a newborn care program for Medicaid and Children's Health Insurance Program (CHIP) recipients and encourage its utilization. Medicaid must allow newborns to self-refer for primary care for the first 60 days following birth or until the newborn is enrolled with the managed care organization (MCO) of the newborn's mother or siblings and assigned to the mother's choice of primary care provider. For up to 60 days the mother's MCO must provide coverage for the newborn at its own fee-for-service rate or the Medicaid fee-for-service rate, whichever is greater, for: (1) a primary or specialty care provider caring for the newborn; and (2) a medical laboratory, pharmacy, provider of durable medical equipment, or other health care service for the newborn.

In addition, DHMH must develop a prenatal care program for CHIP recipients and encourage its utilization.

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**Fiscal Summary**

**State Effect:** Medicaid expenditures (50% federal funds, 50% general funds) could increase by a minimal amount. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law:** Medicaid and CHIP provide prenatal programs for enrollees.

**State Fiscal Effect:** A Medicaid MCO must bear the cost of services provided to a newborn within the first 60 days after birth if the newborn's mother is enrolled in the MCO. To the extent MCO costs increase and MCOs pass this cost on to the Medicaid program as increased capitation rates, Medicaid expenditures (50% federal, 50% general funds) could increase. Any increase is expected to be negligible.

The CHIP program currently provides a prenatal care program to enrollees. Accordingly, this provision of the bill has no fiscal impact on Medicaid.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** SB 638 (Senator Kelley, *et al.*) – Finance.

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

**Fiscal Note History:** First Reader – February 27, 2001  
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