

**Department of Legislative Services**  
 Maryland General Assembly  
 2001 Session

**FISCAL NOTE**  
**Revised**

House Bill 1274 (Delegate McHale, *et al.*)

Environmental Matters

Finance

**Patients' Safety Act of 2001**

This bill requires the Maryland Health Care Commission (MHCC), in consultation with the Department of Health and Mental Hygiene (DHMH), to study the feasibility of developing a system for reducing the incidences of preventable adverse medical events in the State, including a system of reporting such incidences. MHCC must issue a preliminary report by January 1, 2002 and a final report by January 1, 2003 to the Governor, the House Economic Matters and House Environmental Matters committees, and the Senate Finance Committee on MHCC's recommendations as a result of the study.

The bill takes effect July 1, 2001.

**Fiscal Summary**

**State Effect:** MHCC special fund revenues and expenditures could each increase by \$150,000 in FY 2002 only.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
SF Revenue	\$150,000	\$0	\$0	\$0	\$0
SF Expenditure	150,000	0	0	0	0
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:** None.

## Analysis

**Current Law:** None applicable.

**State Fiscal Effect:** MHCC special fund expenditures would increase by \$150,000 in fiscal 2002. This estimate reflects the cost of contracting with a consultant to conduct a feasibility study and develop a conceptual design plan of the proposed system. The reporting requirement could be handled with existing MHCC budgeted resources.

MHCC is specially funded through fees imposed on payors and providers. As a result of the increase in expenditures, MHCC would raise provider fees by an amount to exactly offset the increase in expenditures.

Future year expenditures and revenues would not be affected.

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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 11, 2001  
ncs/cer Revised – House Third Reader – April 2, 2001

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