

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 177

(Senator Exum, *et al.*)Education, Health, and Environmental Affairs
and Budget and Taxation

Health and Government Operations

Maryland Office of Minority Health and Health Disparities

This bill creates the Maryland Office of Minority Health and Health Disparities (the office) within the Department of Health and Mental Hygiene (DHMH) and requires the DHMH plan to reduce health care disparities to assess establishing a Minority Health Advisory Commission. It is the General Assembly's intent that the office be funded with federal and special funds.

Fiscal Summary

State Effect: General fund administrative expenditures could increase by \$207,200 in FY 2005. Out-years reflect annualization and inflation. General fund administrative expenditures would decrease to the extent that DHMH secures federal and/or special funds for this purpose. In addition, federal and special fund research grant expenditures could increase to the extent DHMH secures such funds. Expenditures to improve existing data systems could be significant but cannot be reliably estimated at this time. No effect on revenues.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	207,200	262,000	271,800	282,300	293,500
Net Effect	(\$207,200)	(\$262,000)	(\$271,800)	(\$282,300)	(\$293,500)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The office will:

- advocate for improving minority health care;
- assist the Secretary of Health and Mental Hygiene in identifying, coordinating, and establishing minority health priorities;
- collect, classify, and analyze relevant research information and data;
- research innovative methods and obtain resources to improve existing data systems to ensure race and ethnic identifying health information is collected;
- serve as a clearinghouse and resource library for information about minority health and health disparities data, strategies, services, and programs;
- develop a strategic plan to improve public services and programs targeting minorities;
- contingent on obtaining funding, provide grants to community-based organizations and historically black colleges and universities for research, demonstration, and evaluation projects for targeted at-risk racial and ethnic minority populations and to support ongoing community-based programs to reduce or eliminate racial and ethnic health disparities in the State;
- develop grant-awarding criteria for programs to improve minority health care;
- review existing laws and regulations to ensure that they facilitate adequate health care to minorities of the State;
- recommend to the Secretary of Health and Mental Hygiene any changes to existing laws and regulations to facilitate the adequate health care to minorities in the State;
- identify and review health promotion and disease prevention strategies relating to the leading causes of death and disability among minority populations;

- develop and implement model public and private partnerships in racial and ethnic minority communities for health awareness campaigns and to improve the access, acceptability, and use of public health services;
- develop recommendations for the most effective means of reaching racial and ethnic minority communities throughout the State to ensure maximum participation in publicly-funded health benefits programs;
- develop a statewide plan for increasing racial and ethnic minority health care professionals;
- work with universities and colleges of medicine, nursing, pharmacy, and dentistry in Maryland and other health care professional training programs to develop courses with cultural competency, sensitivity, and health literacy to address racial and ethnic disparities in health care;
- work with the Maryland Health Care Disparities Initiative, and the Morgan-Hopkins Center for Health Disparities Solutions, the University of Maryland Disparity Project, the Monumental City Medical Society, faculty and researchers at historically black colleges and universities, and other existing alliances and plans, to reduce or eliminate racial and ethnic disparities in the State;
- seek to create a statewide alliance with community-based agencies and organizations, historically black colleges and universities, health care facilities, health care provider organizations, managed care organizations, and pharmaceutical manufacturers;
- evaluate multicultural or racial and ethnic minority health programs in other states to assess their efficacy and potential for replication in Maryland and make recommendations on adopting appropriate programs;
- apply for and accept any grant from the federal government, private foundations, or other sources available for programs related to minority health and health disparities;
- serve as the designated State agency for receiving federal funds specifically designated for minority health and health disparities programs; and
- work with the Office of Minority Affairs as necessary.

The office's director will: (1) promote health and disease prevention among minorities; (2) distribute grants from federal and special funds to community-based health groups; and (3) fund projects which are innovative, culturally sensitive, and specific in their approach to reduce the incidence and severity of diseases or conditions responsible for excess morbidity and mortality among minorities. By the fifteenth day of each regular legislative session, DHMH will submit an annual report on the office to the Governor and the General Assembly. The report will include the projects and services developed and funded by the office and the health care problems the grant funds are intended to ameliorate.

Current Law:

Reducing Minority Health Care Disparities

Chapter 453 of 2003 specifies that it is the intent of the General Assembly to encourage courses or seminars that address the identification and elimination of health care services disparities of minority populations.

It requires DHMH, with the Maryland Health Care Foundation and 22 other organizations, to develop and implement a plan to reduce health care disparities based on gender, race, ethnicity, and poverty. The plan must include recommendations to coordinate existing programs related to health care disparities by: (1) identifying available funding; (2) identifying any gaps in service delivery based on gender, race, ethnicity, and poverty; (3) reducing the duplication of available health care services; (4) reducing the fragmentation of health care services; and (5) identifying outcome measures to reduce health care disparities.

By September 30, 2004, DHMH and the other entities involved in plan development and implementation must: (1) examine current continuing education programs offered by hospitals and physician organizations that are focused on health care disparities and examine current continuing education requirements of health occupation boards; (2) determine the content of a model course or seminar that addresses health care services disparities of minority populations; (3) assess the feasibility of requiring certain health care providers to take the course or seminar; and (4) identify the oversight that would be required by a health occupation board in order to determine compliance with continuing education requirements concerning health care disparities.

Maryland Health Care Foundation

Chapter 180 of 1997 created the Maryland Health Care Foundation, a nonprofit organization established to support efforts to increase and improve access to quality health care for the uninsured, underinsured, and medically underserved residents of

Maryland. The foundation awards grants to help fund programs that expand access to health care for Marylanders without health insurance.

Chapter 162 of 2002 required the Maryland Health Care Foundation to promote public awareness of the need to eliminate health disparities associated with poverty, gender, and race. The foundation may provide grants to programs addressing health care disparities.

Office of Minority Affairs

There is an Office of Minority Affairs within the Executive Department that is required to conduct research to determine the nature and extent of the problems concerning African-American males and offer recommendations exclusively pertinent to African-American males in the areas of unemployment, criminal justice, education, and health.

Background: In a March 10, 2004 letter to Senator Hollinger, the National Institutes of Health (NIH) Comprehensive Health Disparities Research, Outreach, and Training Center at the University of Maryland School of Medicine offered to support the discovery, development, and dissemination of important research and outreach strategies to Maryland citizens. Center faculty and staff will work with DHMH to implement the legislation.

States with offices of minority health within their health departments include: California, Connecticut, Missouri, Nebraska, New Jersey, New York, Oklahoma, Tennessee, Texas, and Virginia. Arkansas and Michigan have minority mental health offices within their respective mental health division and mental health department.

States with minority commissions or councils that address minority health issues include: Arkansas, Florida, Illinois, Indiana, Louisiana, Missouri, North Carolina, Ohio, South Carolina, Tennessee, and Virginia.

State Revenues: Federal and special fund revenues may increase to the extent the office secures these types of funds. Officials from Johns Hopkins University's Bloomberg School of Public Health, the National Center for Health Behavioral Change at Morgan State University, and the NIH Comprehensive Health Disparities Research, Outreach, and Training Center at the University of Maryland School of Medicine have offered to assist the office with preparing grant submissions.

State Expenditures: General fund expenditures could increase by an estimated \$207,205 in fiscal 2005, which accounts for the bill's October 1, 2004 effective date. This estimate reflects the cost of hiring three full-time employees to staff the office: an epidemiologist, a community health educator, and an office secretary.

An existing DHMH employee will act as director for the office. It also reflects \$75,000 for health awareness campaign materials as well as travel costs for individuals to attend meetings and workshops and ongoing operating expenses. Expenditures could increase further if federal and/or special funds are made available for research grants to community-based organizations.

The amount and size of the grants awarded will vary depending on the amount of federal and special funds DHMH receives.

Although the Comprehensive Health Disparities Research, Outreach, and Training Center offered its assistance in developing and disseminating research and outreach strategies, it is not known whether this would reduce DHMH expenditures.

Although the bill specifies that it is the General Assembly's intent that federal and special funds would be used to support this bill, the Department of Legislative Services (DLS) assumes that general fund expenditures would be needed to meet the bill's requirements unless additional federal and special funds were available. The bill does not specifically prohibit general fund expenditures. DLS assumes that DHMH would have to apply for those additional funds beginning in fiscal 2005, which could be available beginning in fiscal 2006.

This does not include an estimate for improving existing data systems to ensure race and ethnic identifying health information is collected. It cannot be reliably determined at this time how much of this identifying information DHMH is already collecting electronically and what system improvements would be necessary to fulfill this requirement. However, Legislative Services advises that the cost could be significant. DHMH estimated the cost at \$500,000 but did not specify what areas of the data system needed updating to comply with this bill.

Salaries and Fringe Benefits	\$102,882
Health Awareness Campaign Materials	75,000
Travel Expenses	10,500
Operating Expenses	<u>18,823</u>
Total FY 2005 State Expenditures	\$207,205

Future year expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) \$100,000 annually spent on health awareness campaign materials.

Additional Information

Prior Introductions: None.

Cross File: HB 86 (Delegate Nathan-Pulliam, *et al.*) – Health and Government Operations.

Information Source(s): Governor's Office; Department of Health and Mental Hygiene; *Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care*, Institute of Medicine, 2002; *Racial Disparities in the Quality of Care for Enrollees in Medicare Managed Care*, Journal of American Medicine Association (March 13, 2002); BlackHealthCare.com; National Conference of State Legislatures; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2004
ncs/jr Revised - Senate Third Reader - April 12, 2004

Analysis by: Lisa A. Daigle

Direct Inquiries to:
(410) 946-5510
(301) 970-5510