

**Department of Legislative Services**  
 Maryland General Assembly  
 2004 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 309 (Delegate Stern, *et al.*)

Health and Government Operations

Finance

**State Advisory Council on Obesity in Youth**

This bill creates a State Advisory Council on Obesity in Youth staffed by the Department of Health and Mental Hygiene (DHMH).

The bill takes effect June 1, 2004 and terminates June 30, 2008.

**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$26,500 in FY 2005 for a part-time contractual employee to staff the task force. Future years reflect inflation and the bill terminating. No effect on revenues.

| (in dollars)   | FY 2005    | FY 2006    | FY 2007    | FY 2008    | FY 2009 |
|----------------|------------|------------|------------|------------|---------|
| Revenues       | \$0        | \$0        | \$0        | \$0        | \$0     |
| GF Expenditure | 26,500     | 21,000     | 21,900     | 22,800     | 0       |
| Net Effect     | (\$26,500) | (\$21,000) | (\$21,900) | (\$22,800) | \$0     |

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

**Local Effect:** None.

**Small Business Effect:** None.

**Analysis**

**Bill Summary:** The advisory council must, among other things: (1) coordinate agencies and organizations that work on youth obesity issues; (2) collect and analyze data and reports prepared by Maryland departments and agencies; (3) investigate other states'

practices; (4) hold community forums; and (5) make recommendations for improving the physical layout of schools, youth centers, and parks and recreational areas to encourage increased physical activities. The advisory council must issue a report that includes recommendations on obesity in youth issues in Maryland to the Governor and the General Assembly by June 1, 2006, and a second report by June 1, 2008.

The council must, in consultation with the Maryland Health Care Commission (MHCC), the Maryland Insurance Administration, health insurance carriers, and business representatives. study MHCC's January 2004 evaluation on expanding a child wellness coverage mandate. The council must report its recommendations on this by January 1, 2005 to the Senate Finance Committee and the House Health and Government Operations Committee.

**Current Law:** A council on obesity in youth or adults does not exist under statute.

Health insurers and nonprofit health service plans, health maintenance organizations, and managed care organizations must cover treating morbid obesity through gastric bypass surgery or another surgical method recognized by the National Institutes of Health (NIH) as effective for the long-term reversal of morbid obesity and consistent with NIH approved criteria.

If a physician determines that a licensed dietician's or nutritionist's services are medically necessary for treating cardiovascular disease, diabetes, malnutrition, cancer, cerebral vascular disease, or kidney disease, the dietician's or nutritionist's reasonable charges may be reimbursed by a health insurance provider. Reimbursement is limited to six visits with a dietician or nutritionist during a 12-month period. Services for treating obesity may be reimbursed only if they are provided with the treatment of one of the previously mentioned diseases. Health insurance policies, contracts, or certificates are not required to cover nutritionists' or dieticians' services.

**Background:** A 2002 DHMH report made various recommendations for preventing children from becoming overweight, focusing on six areas: families and individuals; schools; the media and public education; health care providers; neighborhoods and community factors; and research and data collection.

Some of the report's recommendations include: (1) mandating health insurers cover overweight treatment and prevention; (2) implementing a tax on foods of minimal nutritional value to fund parks and recreational activities; (3) funding and promoting recreation centers that offer free, supervised programs; (4) implementing healthy food policies so healthy food choices prevail in schools; (5) using health screenings to educate students about overweight prevention; (6) requiring physical and health education in all

school grades; (7) working with the media to promote healthier messages about body shape, eating habits, and activity that encourages health; and (8) implementing the Youth Risk Behavior Surveillance System or other system for collecting data about weight, eating habits, and physical activity of children in Maryland.

Nationally, an estimated 15% of children and adolescents ages six through 19 are overweight, according to the *1999-2000 National Health and Nutrition Examination Survey*. A 1988-1994 survey estimated 11% of children and adolescents nationally were overweight. Children who are obese experience health problems such as type two diabetes, orthopedic problems, sleep apnea, high cholesterol, high blood pressure, liver disease, and asthma.

**State Expenditures:** General fund expenditures could increase by an estimated \$26,467 in fiscal 2005. This estimate reflects the cost of hiring one part-time contractual coordinator of special programs to staff the task force and conduct the required activities. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

|   |                 |
|---|-----------------|
| Salary and Fringe Benefits              | \$19,042        |
| Operating Expenses                      | <u>7,425</u>    |
| <b>Total FY 2005 State Expenditures</b> | <b>\$26,467</b> |

Future year expenditures reflect: (1) a full salary with 4.6% annual increases and 6.8% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) the bill terminating June 30, 2008.

DHMH was awarded a Centers for Disease Control and Prevention Nutrition and Physical Activity grant to reduce the incidence of obesity and chronic disease in all ages associated with a lack of healthy eating and physical activity. It provides DHMH with \$400,000 per year for five years through June 29, 2008. As a result, the department has hired three contractual full-time employees to: (1) conduct a statewide needs assessment of obesity prevalence and issues in all ages; (2) determine what activities are currently being conducted throughout the State; (3) develop a working coalition of educators and public health professionals; (4) conduct regional forums and attend town meetings; (5) devise a State plan to combat issues of obesity; and (6) develop, implement, and evaluate pilot programs targeting obesity.

Although some of the functions required under the grant are similar to those required under this bill, Legislative Services advises that DHMH needs a part-time employee to staff the task force. The federal grant funds awarded for the obesity project will expire

near the end of fiscal 2008. Additionally, the federal grant-funded initiative looks at obesity and chronic disease in all age groups, not just youth.

However, the federal grant is funding regional community forums, which are required under this bill. As a result, Legislative Services believes that these federally-funded forums also could be used by the advisory council. Additionally, Legislative Services assumes that the results of any research conducted by the grant-funded employees would be shared with the advisory council and could be incorporated into the council's reports.

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### **Additional Information**

**Prior Introductions:** A similar bill, HB 509, was introduced in the 2003 session and received an unfavorable report in the Health and Government Operations Committee.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene; National Institutes of Health; *Prevalence of Overweight Amount Children and Adolescents: United States, 1999-2000*, National Center for Health Statistics, Centers for Disease Control and Prevention; *Preventing Childhood Overweight in Maryland: Recommendations and Report of a Work Group Session*, Department of Health and Mental Hygiene, November 2002; Department of Legislative Services

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