

**Department of Legislative Services**  
 Maryland General Assembly  
 2006 Session

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

House Bill 58 (Delegate Nathan-Pulliam, *et al.*)

Health and Government Operations

Finance

**Department of Health and Mental Hygiene - Racial and Ethnic Variations -  
 Health Care Disparities Policy Report Card**

This bill requires the Office of Minority Health and Health Disparities, in collaboration with the Maryland Health Care Commission (MHCC), to annually publish a “Health Care Disparities Policy Report Card.” The report card must be published on the Department of Health and Mental Hygiene’s web site and be made available in writing upon request.

**Fiscal Summary**

**State Effect:** MHCC special fund expenditures and revenues could each increase by \$120,000 in FY 2007 to collect racial and ethnic variation data. Future year estimates reflect contractual costs for annual data collection.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
SF Revenue	\$120,000	\$75,000	\$75,000	\$75,000	\$75,000
SF Expenditure	120,000	75,000	75,000	75,000	75,000
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:** None.

**Analysis**

**Bill Summary:** The report card must include: (1) an analysis on racial and ethnic variations in insurance coverage for low-income, nonelderly individuals; (2) the racial

and ethnic composition of the physician population compared to the composition of the State's population; and (3) the racial and ethnic disparities in morbidity and mortality rates based on ethnicity and race for certain diseases and conditions.

MHCC must collect and provide the racial and ethnic data to the Office of Minority Health and Health Disparities, and analyze the data jointly with the Office of Minority Health and Health Disparities for publication in the "Health Care Disparities Policy Report Card." MHCC must evaluate the feasibility of obtaining information from urban and rural populations in order to identify geographic disparities.

MHCC must also incorporate racial and ethnic variations in its report cards for HMOs, nursing homes, and hospitals and ambulatory surgical centers by October 1, 2007.

MHCC must work in consultation with the Office of Minority Health and Health Disparities, the Center for Health Disparities at the University of Maryland School of Medicine and the University of Maryland Eastern Shore, the Johns Hopkins Center for Health Disparities and Solutions, Morgan State University, and other interested parties.

**Current Law:** MHCC must annually develop performance evaluation guides (commonly referred to as report cards) that evaluate the quality of care outcomes and performance measures of HMOs, nursing homes, hospitals, and ambulatory surgical centers.

The Office of Minority Health and Health Disparities serves as the focal point for implementing a plan to eliminate minority health disparities and facilitate other projects that reduce minority health disparities in the State.

A health insurer or insurance producer may not make an inquiry about race, creed, color, or national origin in an insurance form, questionnaire, or other manner of requesting general information.

**Background:** Racial disparities in the provision and quality of health care have long been documented. One report on the subject indicates that racial and ethnic disparities persist in health care for a number of medical conditions and services, even when comparing individuals of similar income and health insurance coverage.

Racial and ethnic differences are apparent when looking at the percentage of individuals who have no health insurance. As illustrated in **Exhibit 1**, in 2003, 13% of whites lacked health insurance, while the uninsured rates for minorities ranged from 20% to 34%.

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**Exhibit 1**  
**Nonelderly Uninsured by Race/Ethnicity, 2003\***

<u>Race/Ethnicity</u>	<u>Uninsured Rate</u>
White (non-Latino)	13%
Asian/Pacific Islander	20%
African American (non-Latino)	21%
American Indian/Alaskan Native	28%
Latino	34%
National Rate	18%

\*Kaiser Commission on Medicaid and the Uninsured/Urban Institute 2004

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The availability of health care providers in a community also impacts the care obtained. Minorities are more likely to live in medically underserved areas that lack adequate health care sources. Twenty-eight percent of Latinos and 22% of African Americans report having little or no choice in where to seek care, while only 15% of whites report this difficulty. When minorities are able to find accessible health care providers, language and cultural barriers sometimes present difficulties. Approximately 30% of Latinos say they have had a problem communicating with health care providers.

While the gaps in quality of care among races have decreased over the past several years, African Americans are still getting far fewer operations, exams, medications, and other treatments than whites. One study published in the *New England Journal of Medicine* measured gaps in care provided to whites and African Americans, looking at such screenings and treatments as breast cancer screening, diabetes care, beta blocker prescriptions after myocardial infarction, and cholesterol management after myocardial infarction or coronary procedures. Over the seven-year period studied, quality of care increased for both whites and blacks, and disparity gaps decreased. However, African Americans still received less treatment than whites, particularly related to cholesterol management.

**State Fiscal Effect:** MHCC special fund expenditures could increase by \$120,000 in fiscal 2007 to collect the required data. MHCC advises it would not be able to collect race data from HMOs because current law prohibits a health insurer from collecting this information. Future year estimates reflect ongoing data collection costs. Any costs associated with posting the report card on the department's web site and providing

written copies to the public are assumed to be minimal and can be handled with existing Office of Minority Health and Health Disparities resources.

MHCC special fund revenues could increase by \$120,000 in fiscal 2007. MHCC is specially funded through assessments imposed on payors and providers. As a result of the increase in expenditures, MHCC would increase provider fees by an amount to exactly offset the increase in expenditures. Future year estimates reflect fee increases to cover the cost of data collection.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** *Policy Challenges and Opportunities in Closing the Racial/Ethnic Divide in Health Care*, Kaiser Family Foundation (March 2005); "Trends in the Quality of Care and Racial Disparities in Medical Managed Care," *New England Journal of Medicine* (August 18, 2005); Department of Health and Mental Hygiene (Maryland Health Care Commission), Department of Legislative Services

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Analysis by: Susan D. John

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