

# Department of Legislative Services

Maryland General Assembly

2007 Session

## FISCAL AND POLICY NOTE

### Revised

House Bill 30

(Delegate Oaks, *et al.*)

Health and Government Operations

Finance

### Oral Health Safety Net Program

This bill establishes an Oral Health Safety Net Program within the Department of Health and Mental Hygiene's (DHMH) Office of Oral Health to award grants to local health departments, federally qualified health centers, and entities providing dental services within State facilities to increase dental provider capacity for the underserved.

The bill terminates September 30, 2011.

### Fiscal Summary

**State Effect:** General fund administrative expenditures could increase by \$44,000 in FY 2008 to start the program. General fund expenditures could increase by at least \$1 million in FY 2009, 2010, and 2011 to issue grants, with the program terminating in FY 2012. No effect on revenues.

(\$ in millions)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	1.2	1.2	1.2	0
Net Effect	(\$0)	(\$1.2)	(\$1.2)	(\$1.2)	(\$0)

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

**Local Effect:** Meaningful for local health departments awarded grants under this program. An estimated \$1 million in grants would be awarded annually in FY 2009, 2010, and 2011.

**Small Business Effect:** Meaningful for federally qualified health centers considered small businesses and awarded grants under this program. An estimated \$1 million in grants would be awarded annually in FY 2009, 2010, and 2011.

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## Analysis

**Bill Summary:** The Oral Health Safety Net Program will provide start-up funding to expand the oral health capacity for underserved low-income and disabled individuals, including individuals enrolled in Medicaid and the Maryland Children's Health Program.

It is the General Assembly's intent that:

- grants must be awarded through the program from July 1, 2008 through June 30, 2009 for fiscal 2009; and
- full funding for grants must continue in the subsequent two fiscal years unless the office determines that a grantee is not fulfilling the conditions of the award.

The office must solicit proposals from local health departments, federally qualified health centers, and entities providing dental services within State facilities for the purpose of issuing grants to support collaborative and innovative ways to increase dental provider capacity for the underserved. Subject to the limitations of the State budget, the office must award grants and oversee the program's operation. The office must give priority to proposals that are targeted to regions of the State where oral health services are most scarce for low-income, disabled, and Medicaid populations and that outline how the potential grantee will maximize resources.

Subject to the limitations of State budget, the office must contract with a licensed dentist to provide expertise in dental public health issues for the office and provide for appropriate continuing education courses for providers that offer oral health treatment to underserved populations.

The office must annually evaluate the program and report to the Governor and the General Assembly by September 30 each year on the program's results. DHMH must conduct a statewide follow-up survey by June 1, 2011 concerning the oral health status of school children in Maryland.

The Secretary of Health and Mental Hygiene must report to the General Assembly by December 1, 2007 on certain costs associated with providing oral health services and on

the number of dental providers in each jurisdiction of the State providing care to the uninsured.

**Current Law/Background:** The Office of Oral Health was established in 1996 to address dental or oral diseases affecting the State's neediest children and adults through public oral health initiatives and interventions, focusing on health promotion and disease prevention.

The Office of Oral Health works with other State agencies, local health departments, schools, community agencies, and private providers in developing policies, programs, and activities that address the following five major areas: oral disease prevention, current and unmet disease status (status of unmet and untreated oral diseases), oral injuries, oral cancer, and special population groups (underserved and uninsured Maryland populations).

In fiscal 2006, oral health grants were awarded to 12 local health departments to develop oral health community-based and school-based preventative, treatment, and educational and outreach programs. In that fiscal year, 6,950 children and 843 adults received dental visits. Through school-based sealant programs implemented by local health departments, 2,868 children received pit- and fissure-sealants. Most of these programs targeted second graders because a child's first permanent molars appear around age six. Local health departments partnered with schools and community programs to provide 9,884 children with fluoride rinses.

According to DHMH, *The 2000-2001 Survey of the Oral Health Status of Maryland School Children* conducted by the University of Maryland Dental School found that 53% of children in kindergarten and third grade had untreated tooth decay in their primary teeth. The same survey found that Maryland's low-income children have significantly more untreated dental decay (62%) than higher income children (41%). In addition, a 2000 survey of Maryland Head Start children found that more than 50% of the children had some type of tooth decay.

While almost 44% of Medicaid's HealthChoice managed care program recipients make at least one dental visit each year, only 14% of HealthChoice recipients receive restorative dental care.

Adults and disabled individuals with advanced dental problems or with medical complications are oftentimes referred for services at distant locations or frequently unable to access treatment.

The Governor's proposed fiscal 2008 budget for DHMH's Family Health Administration includes \$1,018,878 to promote oral health; provide dental care treatment and prevention services for children in underserved areas of the State; and coordinate and provide free dental services to individuals who are indigent, ineligible for Medicaid dental services, and cannot afford dental treatment.

**State Expenditures:** This analysis assumes that a viable program, based on anticipated need and DHMH's projected fiscal 2008 expenditures for a similar purpose, would require grants of at least \$1 million annually in fiscal 2009, 2010, and 2011. General fund expenditures for staff and related administrative costs would be in addition to the grant expenditures and would begin in fiscal 2008.

General fund expenditures could increase by an estimated \$44,002 in fiscal 2008, which accounts for the bill's October 1, 2007 effective date. This estimate reflects the cost of hiring one contractual coordinator of special programs to oversee the program, develop grant criteria and solicit grant proposals, and submit annual reports. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$37,837
Operating Expenses	<u>6,165</u>
<b>Total FY 2008 State Expenditures</b>	<b>\$44,002</b>

Future year expenditures reflect: • \$1 million in fiscal 2009, 2010, and 2011 for dental health grants; • a half-time epidemiologist to evaluate the program's success; • full salaries with 4.5% annual increases and 6.8% employee turnover; • a contract with a licensed dentist (\$60,000) annually in fiscal 2009, 2010, and 2011; • travel expenses for staff to conduct provider continuing education courses, attend conferences, and monitor grants; • 1% annual increases in ongoing operating expenses; • program staff conducting a follow-up survey in fiscal 2012; and • administrative costs of \$18,532 for the first three months of fiscal 2012.

**Local Fiscal Effect:** Anne Arundel, Washington, Wicomico, and Worcester counties advise that the bill would not require an increase in local expenditures beyond any amount they may receive from DHMH if awarded a grant to provide oral health services. However, Montgomery County advises that the bill would increase county expenditures in fiscal 2008 by \$210,400. This estimate reflects Montgomery County's assumption that it would need to hire a contractual full-time dentist (\$110,400) and a contractual full-time dental hygienist, who would also function as a case manager (\$70,000), plus \$30,000 in dental and office supplies.

The Department of Legislative Services disagrees. The fiscal impact for any county health department that applied for and received a grant under this program would be an increase in revenues to provide dental services to targeted individuals. The bill does not require a grantee to provide matching funds as a condition of receiving the grant.

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### **Additional Information**

**Prior Introductions:** A similar bill, SB 649 of 2006, passed the Senate and had a hearing in the House Health and Government Operations Committee, but no further action was taken.

**Cross File:** SB 181 (Senator Middleton) – Finance.

**Information Source(s):** Washington County; Montgomery County; Anne Arundel County; *Helping Maryland Smile: The Fiscal Year 2006 Report of the Office of Oral Health*, Department of Health and Mental Hygiene; Department of Legislative Services

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