

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 115

(Delegate Tarrant, *et al.*)

Health and Government Operations

Finance

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Medical Assistance Programs and Maryland Children's Health Program -  
Statements on State-Issued Check Stubs

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This bill requires the Department of Health and Mental Hygiene to collaborate with the Office of the Comptroller and the Office of the State Treasurer to develop one-sentence statements advising that individuals who cannot afford health insurance may be eligible to enroll in a Medical Assistance (Medicaid) program or the Maryland Children's Health Program.

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**Fiscal Summary**

**State Effect:** The bill's requirements could be handled with existing budgeted resources. To the extent that the bill results in increased enrollment in Medicaid or MCHP, DHMH expenditures (50% general funds, 50% federal funds for Medicaid and 35% general funds, 65% federal funds for MCHP) could increase beginning in FY 2009. Department of Human Resources expenditures (50% general funds, 50% federal funds) could potentially increase to perform intake of additional Medicaid and MCHP enrollees. The extent of that increase cannot be reliably estimated at this time. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** Statements must be printed on State-issued tax refund check stubs, quarterly on employee paycheck stubs, and on State-issued child support payment check

stubs. Statements must include contact information to obtain additional information on eligibility for Medicaid or MCHP. Statements may be combined and altered to provide the most current information and fit within the space constraints of checks.

**Current Law:** The Maryland Medicaid program covers approximately 520,000 Marylanders. Generally, an adult may qualify for Medicaid if the adult is • aged, blind, or disabled; • in a family where one parent is absent, disabled, unemployed, or underemployed; or • a pregnant woman. Adults must also have very low incomes to qualify for Medicaid. Effective July 1, 2008, Medicaid eligibility will expand to include parents and caretaker relatives with a dependent child living in the home and household incomes up to 116% of Federal Poverty Guidelines.

MCHP offers comprehensive health care coverage to low-income children under the age of 19 with family incomes that exceed the standard for Medicaid but are at or below 300% FPG. Families with incomes above 200% FPG are enrolled in the MCHP premium plan and are required to pay monthly premiums depending on income. More than 105,000 children are enrolled in MCHP.

**Background:** A May 2007 study by the Kaiser Commission on Medicaid and the Uninsured found that awareness and understanding of Medicaid and State children's health insurance programs are uneven among low-income parents. Many low-income parents with uninsured children assume that Medicaid and SCHIP are "not for working families" and that their earnings are too high for their children to qualify.

**State Expenditures:** For State-issued tax refund check stubs, the Office of the Comptroller indicates that the statements could be printed using existing budgeted resources. A small number of individuals with multiple errors in their return would not receive the statement due to lack of space on the check stub.

For child support payment check stubs, the Office of the Treasurer indicates that, while some modifications to the printing program would be necessary, the check stubs could be adapted to accommodate the statements using existing budgeted resources.

For employee paycheck stubs, the Office of the Comptroller could print the statements quarterly using existing budgeted resources, although the statements would likely need to be combined due to space constraints.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** *Enrolling Children in Medicaid and SCHIP: Insights from Focus Groups with Low-Income Parents*, Michael Perry and Julia Paradise, May 2007; Comptroller's Office; Treasurer's Office; Department of Health and Mental Hygiene; Department of Legislative Services

**Fiscal Note History:** First Reader - February 1, 2008  
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