

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 70 (Delegate Morhaim, *et al.*)
Health and Government Operations

Finance

Department of Health and Mental Hygiene - Commissions, Programs, and Reports - Revision

This bill repeals a number of commissions, councils, programs, and task forces within the Department of Health and Mental Hygiene (DHMH). The bill also repeals and consolidates a number of reports required by DHMH and makes nonsubstantive technical changes.

Fiscal Summary

State Effect: Due to the redirection of staff and resources related to the activities associated with the task forces, commissions, councils, and reports, general fund expenditures decrease minimally in FY 2010 and future years. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill consolidates reports on oral health and physician's fees.

Three oral health reports are combined so that DHMH and the Office of Oral Health jointly submit one annual report to the Governor and the General Assembly on Oral Health Program results; findings and recommendations; availability and accessibility of dentists participating in the Maryland Medical Assistance Program; outcomes on managed care and dental managed care organizations under the Maryland Medical

Assistance Program specified in the bill; and the allocation and use of funds authorized for dental services under the Maryland Medical Assistance Program.

The bill also consolidates two physician fee reporting requirements so that DHMH submits one annual report to the Senate Finance Committee and the House Health and Government Operations Committee on a review and comparison of provider payment rates under the Medicare fee schedule, Medicaid fee-for-service, and Medicaid managed care organizations (MCOs); whether fee for service rates and MCO provider rates will exceed the rates paid under the Medicare fee schedule for the period covered by the review; an analysis of the fee-for-service reimbursement rates paid in other states and how those rates compare with those in Maryland; a schedule for bringing the State's fee-for-service reimbursement rates to a level that assures that all health care providers are reimbursed adequately; and an analysis of the estimated costs of implementing the schedule and any proposed changes to the fee-for-service reimbursement rates for the Maryland Medical Assistance Program and Maryland Children's Health Program (MCHP).

Reports, task forces, and programs repealed by the bill are shown in **Exhibit 1**.

Exhibit 1
Commissions, Task Forces, Programs and/or Reports Repealed

<u>Article/Chapter Law</u>	<u>Report/Commission/Requirement</u>
HG 15-103	Medicaid Advisory Committee annual report
HG 15-141	Medicaid long-term managed care pilot program and report
HG 13-509	Advisory Council on Arthritis and Related Diseases annual report
HG 13-1902 and 13-1903	Osteoporosis Prevention and Education Task Force annual report
HG 15-133	Two annual status reports on DHMH's applications regarding home and community based services
HG 8-6C-03	Substance Abuse Treatment Outcomes Program annual report
HG 4-3A-05	State Advisory Council on Medical Privacy and Confidentiality
HG 15-132	Semiannual report on the status of DHMH's applications for an amendment to the existing home and community based services waiver
HG 15-130	Semiannual report on the status of DHMH's application for a Medicaid home and community based services waiver

Article/Chapter Law

Report/Commission/Requirement

Chapters 1 and 2 of 1998	Annual report on hospital death record reviews
Chapter 593 of 1997	Quarterly report on the status of family investment program recipients referred to substance abuse treatment
IN 15-804	Panel to review off-label use of drugs and periodic report
HG 7-204	Community Services Advisory Commission annual report on systemic plan and implementation
HG 10-925	Annual report on therapeutic group homes
HG 10-810	Requirement that psychiatric facilities give DHMH notice of an individual's release
HG 10-711	Annual report on all persons hospitalized in a psychiatric facility

HB = Health General Article

IN = Insurance Article

In addition, the bill makes a reporting requirement on the number of MCOs for which the Secretary has designated for money to be held in trust, and the amount of money paid out in cases of insolvency, contingent on whether there is money held in trust.

Current Law:

Oral Health Programs and Reports

Chapter 113 of 1998 required DHMH to submit an annual report to the General Assembly concerning the availability and accessibility of dentists in the Medicaid program, outcomes, loss ratios, corrective actions, and allocation and use of funds relating to dental care provided by Medicaid MCOs and dental MCOs.

Chapter 308 of 2000 required DHMH to develop and implement ongoing oral cancer educational programs in Maryland as well as a Prevent Oral Cancer Pilot Program that screens, refers, and treats high-risk, under-served adults for whom dental services are not ordinarily available. DHMH must submit a report on its findings and recommendations to the Governor and the General Assembly by December 1 of each year.

Chapter 528 of 2007 established an Oral Health Safety Net Program within DHMH's Office of Oral Health to award grants to local health departments, federally qualified health centers, and entities providing dental services within State facilities. 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.

Physician Fee Reporting Requirements

Chapter 702 of 2001, as amended by Chapter 464 of 2002, required DHMH to establish a process to annually set the fee-for-service reimbursement rates for MCHP, Medicaid, and the public mental health system in a manner that ensures participation of providers. DHMH must report annually by September 1 to the Governor and the General Assembly on its progress in complying with these requirements; the fee-for-service reimbursement rates paid in other states and how those rates compare with those in Maryland; its schedule for bringing Maryland's fee-for-service reimbursement rates to a level that assures that all health care providers are reimbursed adequately to provide access to care; and estimated costs of implementing the schedule and any proposed changes to the fee-for-service reimbursement rates for the MCHP and Medicaid programs.

Chapter 280 of 2005 as amended by Chapter 625 of 2008 required DHMH to review rates paid to providers under the federal Medicare fee schedule and compare those rates to the fee-for-service rates paid to similar providers and MCO providers for the same services under the Medical Assistance Program. By January 1 of each year, DHMH must report to the Senate Finance Committee and the House Health and Government Operations Committee on its review and whether the fee-for-service rates and managed care organization provider rates will exceed the rates paid under the Medicare fee schedule for the period covered by the report.

Other existing commissions, task forces, programs, and reports eliminated by the bill are summarized in Exhibit 1.

Chapter 253 of 2008 required DHMH to conduct a comprehensive review of the department for the purpose of streamlining and consolidating boards, commissions, councils, and committees that are found to be duplicative or unnecessary. The department was required to report its recommendations to the Governor and the General Assembly by December 1, 2008. The review does not include the health occupations boards.

Background: DHMH submitted the report required by Chapter 253 on December 19, 2008. In its report, DHMH proposed the elimination of a number of commissions, councils, programs, task forces, and reporting requirements that the department says are no longer useful. DHMH also proposed consolidating a number of reports that have similar purposes. This bill implements the department's proposals.

State Fiscal Effect: Some of the reporting requirements and councils repealed under the bill no longer exist except in the code. For example, the Annual State Advisory Council on Medical Privacy disbanded after submitting its final report in 2004. Since the council is no longer active, no staff or resources can be recouped from repealing it. Therefore, the Department of Legislative Services advises that, while staff time and resources are saved under the bill, such savings are minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

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