

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1001 (Delegate Frick, *et al.*)
Health and Government Operations

Department of Health and Mental Hygiene - Maryland Medical Assistance
Program - Reporting by Financial Institutions on Enrolled Employees

This bill requires certain financial institutions that do business with the State or a unit of local government to annually report the number of their employees enrolled in the Medicaid program. The Department of Health and Mental Hygiene (DHMH) must report this information to the Governor, the General Assembly, and the public.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: The bill's reporting requirements can be handled with existing DHMH budgeted resources.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: Each financial institution in the State that (1) serves as depository for money of a unit of State or local government; (2) is a creditor of a unit of State or local government; or (3) receives \$5,000 or more in annual revenues from business conducted with a unit of State or local government must annually report to DHMH by October 1. The report must include (1) the number of employees employed by the financial institution in the State; and (2) the number of employees of the financial institution who

are enrolled in Medicaid. By December 1 of each year, DHMH must report this information publicly and to the Governor and the General Assembly.

Current Law: The Medicaid program provides health care coverage to approximately 590,000 Marylanders. Eligibility is limited to children, pregnant women, elderly or disabled individuals, and certain parents and caretaker relatives. Chapter 7 of the 2007 special session expanded eligibility for Medicaid to parents, caretaker relatives, and childless adults with incomes up to 116% of federal poverty guidelines (FPG) effective July 1, 2008.

The Maryland Children's Health Program (MCHP) offers comprehensive health care coverage to low-income children younger than age 19 with family incomes that exceed the standard for Medicaid but are at or below 300% FPG. Families with incomes above 200% FPG are given the opportunity to enroll in the MCHP premium plan and required to pay monthly premiums depending on income. In fiscal 2009, approximately 111,000 children will be covered through MCHP.

Background: According to the State Treasurer's Office, approximately 22 financial institutions serve as State depositories and an additional 10 banks serve as bond underwriters. It is unknown how many financial institutions identified in the bill do business with units of local government.

The Department of Labor, Licensing, and Regulation reports that Maryland's financial sector employs approximately 150,000 individuals. The U.S. Bureau of Labor Statistics reports the following mean annual wages for selected financial-related occupations in Maryland as of May 2007: bank teller, \$26,350; customer service representative, \$32,940; new accounts clerks, \$33,530; loan counselor, \$41,160; and loan officer, \$65,870.

The 2009 FPG by family size are displayed in **Exhibit 1**. Technically, the bill does not apply to MCHP or the children of financial institution employees.

Exhibit 1
2009 Federal Poverty Guidelines

<u>Family Size</u>	<u>116% FPG</u>	<u>300% FPG</u>
1	\$12,563	\$32,490
2	16,901	43,710
3	21,240	54,930
4	25,578	66,150
5	29,916	77,370

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): U.S. Bureau of Labor Statistics; Board of Public Works; Department of Budget and Management; State Ethics Commission; Department of General Services; Department of Health and Mental Hygiene; Department of Labor, Licensing, and Regulation; Maryland State Treasurer's Office; Department of Legislative Services

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