

**Department of Legislative Services**  
Maryland General Assembly  
2009 Session

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

House Bill 1475 (Chair, Health and Government Operations Committee)(By  
Request - Departmental - Health and Mental Hygiene)

Health and Government Operations

Finance

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**Maryland Veterans Behavioral Health - Expansion**

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This departmental bill extends behavioral health services benefits to *all* Maryland veterans of foreign wars who have been discharged or released from service under conditions other than dishonorable and are not receiving services from the U.S. Department of Veterans Affairs (VA), rather than to veterans only of the Iraq and Afghanistan conflicts. In addition, the bill broadens the geographic coverage area for short-term behavioral services provided to these veterans – where existing federal and State services are determined by the Department of Health and Mental Hygiene (DHMH) to be inadequate – from rural areas only, to statewide availability.

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**Fiscal Summary**

**State Effect:** General fund expenditures increase in FY 2010 and 2011 to the extent that behavioral health services are provided to additional veterans under the bill. Future years are not affected since the program terminates May 31, 2011. No effect on revenues.

**Local Effect:** The bill may have an operational impact on local health departments that provide services to additional veterans.

**Small Business Effect:** DHMH has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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## Analysis

**Current Law:** Chapters 555 and 556 of 2008 established a new three-year program for behavioral health services for Maryland veterans of the Afghanistan and Iraq conflicts.

Under Chapters 555 and 556, DHMH has to collaborate with the VA, the Maryland Department of Veterans Affairs, the Maryland National Guard, and the Defense Force to connect veterans of the Afghanistan and Iraq conflicts to behavioral health services available at the federal level. Where services are not yet available or accessible at the federal level, DHMH has to connect eligible and needy veterans to behavioral health services that may be available through the Mental Hygiene Administration (MHA) or the Alcohol and Drug Abuse Administration (ADAA) until federal services can be obtained. In addition, DHMH has to provide veterans with up-to-date information about behavioral health services and resources through a web-based program.

In addition to service coordination, DHMH has to provide or fund behavioral health services for eligible and needy veterans who cannot obtain immediate access to behavioral health services through the VA. Behavioral health services provided may include crisis services and short-term behavioral health services in rural areas of the State, where existing federal and State services are determined to be inadequate or inaccessible by DHMH. Short-term behavioral health services must be available *only* until a veteran can obtain adequate behavioral health services through the VA. These short-term services may include screening assessments; individual, family, and group therapy; substance abuse early intervention and detoxification services; and substance abuse medication-assisted treatment.

All services and service coordination are subject to DHMH's budgetary limitations. DHMH also sets all eligibility and medical necessity criteria.

**Background:** DHMH advises that there are 490,000 veterans of all wars currently living in Maryland. Of the 490,000 veterans living in Maryland, approximately 70% are not enrolled in VA services.

Nationwide, the Veterans Health Administration provides general inpatient psychiatric services in medical centers; mental health outpatient services in medical centers and community-based outpatient clinics; and readjustment counseling services at veterans centers.

In Maryland, the VA health care system provides mental health services at all VA medical centers, outpatient clinics, and nursing homes in Maryland. Facilities include Perry Point VA Medical Center, Baltimore VA Medical Center, Baltimore VA Rehabilitation and Extended Care Center, and nine community-based outpatient clinics

throughout the State. Clinics are located in Cambridge, Fort Howard, Glen Burnie, Loch Raven, Pocomoke City, Charlotte Hall, Cumberland, Greenbelt, and Hagerstown. In addition, five VA centers offer readjustment counseling and outreach services in Aberdeen, Baltimore, Cambridge, Elkton, and Silver Spring.

Legislative Services advises that, based on current projections, the program for behavioral health services for Maryland veterans of the Afghanistan and Iraq conflicts will expend just \$256,000 of the budgeted \$1,452,281 in fiscal 2009 for the program by the end of fiscal 2009. The fiscal 2010 budget authorizes MHA to use up to \$2.8 million of its total fiscal 2010 budget for the veterans' behavioral health services program.

MHA advises that, to date, most of the program spending has been used for the marketing, administration, and salaries related to the call center that connects veterans with behavioral services. Although the program's call center has received 267 calls since its inception, very few veterans have actually been provided program-funded behavioral health services through MHA – about three or four. The rest have been connected to services through the VA or through other available, pro-bono services outside of the program. MHA expects that the number of veterans that access program services will increase in future years as program awareness grows and more veterans return from Afghanistan and Iraq.

**State Fiscal Effect:** General fund expenditures increase in fiscal 2010 and 2011 to the extent that behavioral health services are provided to additional veterans under the bill. However, the number of additional veterans that will seek services through the program cannot be reliably determined. Further, the number of veterans that will not be successfully connected with services, either through the VA or otherwise outside of the program, and will therefore receive services *through* the program, cannot be reliably determined. However, services outside of the program may become saturated if a large number of veterans are connected with them, increasing the likelihood that the program itself will pay for more services through MHA and ADA.

Future years are not affected since the program terminates May 31, 2011. Revenues are not affected.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Veterans Affairs, Department of Legislative Services

**Fiscal Note History:** First Reader - March 23, 2009  
mcp/mwc Revised - Updated Budget Information - May 20, 2009

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Veterans Behavioral Health – Veterans of All Foreign Wars

BILL NUMBER: HB 1475

PREPARED BY: Department of Health and Mental Hygiene

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.