

Department of Legislative Services
 Maryland General Assembly
 2010 Session

FISCAL AND POLICY NOTE

House Bill 341 (Delegate Nathan-Pulliam, *et al.*)
 Rules and Executive Nominations

Department of Legislative Services - Fiscal Notes - Minority Health Impact Assessment

This bill requires a fiscal and policy note to include a minority health impact assessment if the bill relates to the prevention of and the screening for a disease, illness, or injury. The assessment must include an analysis of the fiscal impact of the bill on the health of minority populations, including any costs saved and avoided by the prevention of and screening for a disease, illness, or injury.

Fiscal Summary

State Effect: General fund expenditures increase by \$61,500 in FY 2011 for the Department of Legislative Services (DLS) to add one policy analyst position to the fiscal and policy note function. DLS can reprogram the fiscal and policy note computer system to accommodate health disparity analyses with existing budgeted resources. Out-year costs reflect annualization and inflation. No effect on revenues.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	61,500	77,500	81,200	85,000	89,100
Net Effect	(\$61,500)	(\$77,500)	(\$81,200)	(\$85,000)	(\$89,100)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: DLS must prepare a fiscal and policy note for each bill considered by the General Assembly. In general, a standing committee of the General Assembly may not vote on a bill unless it is accompanied by a fiscal and policy note. A fiscal and policy note prepared by DLS must contain:

- an estimate of the fiscal impact of the bill on the revenues and expenditures of the State government and of local governments for five years, beginning with the year the bill takes effect. If the bill's full fiscal impact is not expected to occur during that time, the analysis must include each year until, and the first year during which, the impact occurs;
- for bills that require a mandated appropriation in the State budget, a statement to that effect and an estimate of the fiscal impact of the mandated appropriation;
- for bills that impose a mandate on a unit of local government, a statement to that effect and an estimate of the fiscal impact of the local mandate, including the effect on local property tax rates;
- an analysis of the bill's economic impact on small businesses; and
- a list of sources of information used in preparing the fiscal impact estimates.

DLS must prepare a revised fiscal and policy note as soon as possible after the adoption of an amendment that changes the fiscal impact of a bill. A revised fiscal and policy note is typically prepared when a bill passes third reading in the house of origin and crosses over for consideration by the opposite house.

Background: In its recent report *Putting Women's Health Care Disparities on the Map*, the Kaiser Family Foundation highlighted disparities in women's health care access and outcomes by their race and ethnicity. **Exhibit 1** shows that African American women in Maryland lag behind white women in terms of both health access and outcomes; results for Hispanic and Asian women are mixed.

Chapters 319 and 443 of 2004 established the Maryland Office of Minority Health and Health Disparities within the Department of Health and Mental Hygiene (DHMH) and charged it with, among other responsibilities, reviewing existing laws and regulations to ensure that they facilitate adequate health care to minorities in the State. The National Center on Minority Health and Health Disparities within the National Institutes of Health

was established in 2000. It conducts and supports research, fosters programs to eliminate health disparities, and disseminates information.

**Exhibit 1
Women’s Health Disparities**

	<u>White</u>	<u>African American</u>	<u>Hispanic</u>	<u>Asian</u>
No Health Insurance	10.6%	19.2%	38.0%	15.7%
Low Birthweight Births	7.2	13.1	7.2	7.9
Diabetes	3.0	6.8	3.9	1.3
Obesity	17.2	36.5	17.3	7.5

Source: Kaiser Family Foundation

In 2006, the State of Washington enacted legislation (Chapter 239) establishing a Governor’s Interagency Coordinating Council on Health Disparities and requiring it to conduct health impact reviews of legislative proposals. The purpose of the reviews is to determine the extent to which a proposal improves or exacerbates health disparities.

State Fiscal Effect: DLS estimates that, at a minimum, several dozen bills will require a disparity assessment. After reviewing the health impact reviews produced by Washington’s interagency council, DLS has determined that the nature and extent of the minority health impact assessments required by this bill cannot be met with current fiscal and policy note staff levels or expertise. To conduct those assessments, the fiscal and policy note function requires one additional analyst position with expertise in the analysis of health disparities.

Therefore, general fund expenditures increase by \$61,519 in fiscal 2011, which accounts for the bill’s October 1, 2010 effective date. This estimate reflects the cost of hiring one policy analyst to conduct the disparity analyses on affected bills. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$55,226
One-time Start-up Costs	4,335
Ongoing Operating Costs	<u>1,958</u>
Total FY 2011 State Expenditures	\$61,519

Future year expenditures reflect a full salary with 4.4% annual increases and 3% employee turnover; and 1% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Kaiser Family Foundation, Department of Health and Mental Hygiene, Governor's Interagency Coordinating Council on Health Disparities (State of Washington), Department of Legislative Services

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ncs/lgc

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