

Department of Legislative Services  
 Maryland General Assembly  
 2011 Session

FISCAL AND POLICY NOTE  
 Revised

House Bill 793 (Delegate Valentino-Smith, *et al.*)  
 Health and Government Operations

Finance

**Behavioral Health - Veterans - Coordination and Provision of Services**

This bill reenacts provisions of law that are abrogated as of May 31, 2011, to require the continuance of the coordination of certain behavioral health services for certain veterans.

The bill takes effect June 1, 2011.

**Fiscal Summary**

**State Effect:** General fund expenditures are maintained beyond May 31, 2011. Because the program is already fully funded in FY 2011, the bill’s impact begins in FY 2012. The Governor’s proposed FY 2012 budget includes \$563,410 for program operations, more than enough to sustain the program through the entire fiscal year. Based on prior year expenditures, actual general fund expenditures are likely to increase by only \$263,000 in FY 2012. Future year expenditures reflect inflation. Revenues are not affected.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	263,000	265,600	268,300	271,000	273,700
Net Effect	(\$263,000)	(\$265,600)	(\$268,300)	(\$271,000)	(\$273,700)

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The bill requires the Department of Health and Mental Hygiene (DHMH) – in collaboration with the U.S. Department of Veterans Affairs, the Maryland Department of Veterans Affairs (VA), the Maryland National Guard, and the Maryland Defense Force – to provide, subject to the limitations of its budget, behavioral health services coordination to eligible veterans. “Veteran” means a Maryland resident who served on active duty in the uniformed services of the United States, other than for training, and was discharged or released under conditions other than dishonorable.

Where services are not yet available or accessible at the federal level, DHMH must 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. For services provided under the bill’s provisions, DHMH must (1) seek reimbursement from the U.S. Department of Veterans Affairs or other responsible public or private payer; and (2) account separately for funds used.

**Current Law/Background:** 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. Chapter 736 of 2009 extended these services to all veterans who served on active duty in the uniformed services of the United States. Chapters 555 and 556 also created a Veterans Behavioral Health Advisory Board that is not re-established in this bill.

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.

**Exhibit 1** displays the total number of veterans served in the public mental health system and the amount of claims paid in fiscal 2009 through 2011.

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**Exhibit 1**  
**Public Mental Health System:**  
**Total Veterans Served and Claims Paid**  
**Fiscal 2009-2011**

	<u><b>FY 2009</b></u>	<u><b>FY 2010</b></u>	<u><b>FY 2011</b></u>
Number of Veterans Served	1,019	1,057	715
Total Claims	\$4.3 million	\$6.5 million	\$2.5 million

Source: Mental Hygiene Administration

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**State Expenditures:** General fund expenditures budgeted through MHA are maintained beyond May 31, 2011. The Governor's proposed fiscal 2012 budget includes \$563,410 to support three regional resource coordinators, a 24-hour toll-free telephone number, and transportation for veterans to and from behavioral health appointments and outreach activities. Services are provided under contract to the State and not by contractual or permanent employees. DHMH advises that, beginning in fiscal 2012, costs of treatment services will be paid out by ADAA as well as by MHA.

The Department of Legislative Services (DLS) advises that, in the past two fiscal years, this program has not spent its full appropriation. In fiscal 2010, total expenditures were \$269,000, while in fiscal 2011, expenditures are projected to be \$204,000. Therefore, DLS estimates that actual fiscal 2012 expenditures for this program will be approximately \$263,000. Future years reflect 1% annual inflation.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 682 (Senators Peters and Montgomery) - Finance.

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

**Fiscal Note History:** First Reader - February 27, 2011  
ncs/mwc Revised - Clarification - March 22, 2011

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