Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 514	(Senators Middleton and Kasemeyer)
Finance	Health and Government Operations

Maryland Community Health Resources Commission - Health Care Reform - Implementation

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This bill authorizes the Maryland Community Health Resources Commission (MCHRC) to assist community health resources in preparing to implement federal health care reform. MCHRC must examine specified issues and potential challenges for community health resources and develop a business plan for the State to provide ongoing assistance to community health resources in sustaining and enhancing their service delivery. By January 1, 2012, MCHRC must make recommendations for a plan to assist community health resources in implementing federal health care reform to the Governor and specified committees of the General Assembly.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: The bill's requirements can be handled within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The definition of "community health resource" is altered to encompass outpatient behavioral health programs rather than outpatient mental health clinics.

Current Law/Background:

Maryland Community Health Resources Commission: MCHRC was established in 2005 to increase access to health care for lower-income individuals and provide resources to community health resource centers. The MCHRC Fund receives a portion of the premium tax exemption subsidy provided by CareFirst. The fund is used to award grants and provide community assessments. Through community assessments, the commission helps communities develop more coordinated, integrated systems of community-based care, redirect nonemergency care from emergency rooms to other health care providers, and assist individuals in establishing medical homes.

Federal Health Care Reform – the Affordable Care Act: In March 2010, major federal health care reform legislation, the Patient Protection and Affordable Care Act (ACA), was enacted to expand health care coverage, control health care costs, and improve the health care delivery system. Major features of the law include individual and employer mandates, expansion of Medicaid eligibility to 133% of federal poverty guidelines (FPG), creation of health benefit exchanges, premium and cost-sharing subsidies, and various changes to private insurance intended to make it easier to obtain insurance and protect patients. ACA also includes new funding for federally qualified health centers (FQHCs) and school-based health centers. Maryland has 16 FQHCs with over 60 sites and 70 school-based health centers.

Implementation of Health Care Reform in Maryland: The Health Care Reform Coordinating Council (HCRCC) was established by executive order in 2010 to facilitate implementation of ACA in Maryland. The council issued its final report and recommendations in January 2011. According to HCRCC, even with ACA's substantial coverage expansion, an estimated 400,000 or more Marylanders will remain uninsured. Thus, HCRCC recommends that Maryland provide technical assistance to "safety net providers" to help them prepare for changes brought about by reform. More specifically, this effort should assess the administrative infrastructure of small safety net providers, identify partnering opportunities among providers, and develop a roadmap for the sustainability of these efforts.

Additional Information

Prior Introductions: None.

Cross File: HB 450 (Delegates Hubbard and Hammen) - Health and Government Operations.

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