

Department of Legislative Services  
 Maryland General Assembly  
 2018 Session

FISCAL AND POLICY NOTE  
 Enrolled - Revised

Senate Bill 912  
 Finance

(Senator Ferguson, *et al.*)

Health and Government Operations

Maryland Prenatal and Infant Care Coordination Services Grant Program Fund  
 (Thrive by Three Fund)

This bill establishes a Maryland Prenatal and Infant Care Coordination Services Grant Program Fund to provide grants to counties and municipalities for care coordination services to low-income pregnant and postpartum women and to children from birth to age three. The Secretary of Health must award grants from the fund and, in coordination with members of the Children’s Cabinet, establish procedures to distribute money to local jurisdictions according to specified priorities. The Governor must appropriate \$50,000 annually for the fund beginning in fiscal 2020.

Fiscal Summary

**State Effect:** Special fund revenues increase by \$1.0 million in FY 2019 from general fund capitalization of the fund. General fund expenditures increase by at least \$1.06 million in FY 2019 to capitalize the fund and hire staff. Future years encompass the mandated appropriation and reflect annualization and continued capitalization. Special fund expenditures increase correspondingly to provide grants from the fund. **This bill establishes a mandated appropriation beginning in FY 2020.**

(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SF Revenue	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GF Expenditure	\$1.06	\$1.08	\$1.08	\$1.08	\$1.08
SF Expenditure	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Net Effect	(\$1.06)	(\$1.08)	(\$1.08)	(\$1.08)	(\$1.08)

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

**Local Effect:** Local revenues and expenditures increase from grant funding. Potential decrease in local expenditures to the extent grant programs result in health care savings.

**Small Business Effect:** Minimal.

## Analysis

**Bill Summary:** A local jurisdiction's application for grant funding must include, at a minimum, (1) evidence that the care coordination services will be collaborative and involve appropriate public service agencies and community-based providers and (2) a plan to establish a database to collect data from the program to ensure that services are provided to families with the highest need. Local jurisdictions that are awarded grant funding must submit annual reports that include data describing the services provided, the number of and outcomes for individuals receiving services, and an assessment of the scalability of the funded activities.

The fund is a special, nonlapsing fund, administered by the Secretary of Health to be used only to provide grants under the program in accordance with the State budget. The fund consists of money appropriated in the budget, investment earnings, and money accepted from any other source for the benefit of the fund. Grants from the fund are supplemental to and not intended to supplant funding that would otherwise be appropriated for care coordination services. The fund is subject to audit by the Office of Legislative Audits.

**Current Law/Background:** The Maryland Department of Health (MDH) is the lead State agency charged with reducing infant mortality. The mission of the Maternal and Child Health Bureau within MDH is to protect, promote, and improve the health and well-being of all women, newborns, children, and adolescents in Maryland. The bureau is composed of Family and Community Health Services; the Office of Epidemiology; Women, Infants, and Children; and the Office of Genetics and People with Special Health Care Needs. The bureau also collaborates and coordinates activities with other State agencies on health issues that affect women and children, including immunizations, injury prevention, mental health, Medicaid, oral health, substance abuse, and smoking cessation.

A similar program implemented by the bureau is the Babies Born Healthy program. Guided by a 2011 *Plan for Reducing Infant Mortality in Maryland*, the program provides information and resources aimed to reduce infant mortality in the State at a cost of approximately \$2.0 million annually. Additionally, the bureau runs the Maryland Maternal, Infant, and Early Childhood Home Visiting program, which is a federally funded program to develop and implement evidence-based, voluntary family support programs that best meet the needs of communities.

At the local level, B'more for Healthy Babies (BHB) is an initiative led by the Baltimore City Health Department to bring together communities, organizations, and resources to reduce infant mortality rates in the city. According to the Baltimore City Health Department, the initiative is a citywide, public-private coalition of more than 150 nonprofits, public agencies, and foundations. The initiative has helped spearhead safe sleep education programs at birthing hospitals and improve triage for pregnant women.

BHB also works to improve home visiting services for women with high-risk pregnancies. Since the inception of the program, the Baltimore City infant mortality rate has decreased by 38%. In fiscal 2018, BHB’s care coordination functions are funded at \$950,000.

**State Fiscal Effect:**

*Capitalization of the Fund*

General fund expenditures increase by at least \$1.0 million annually beginning in fiscal 2019; in future years, this amount includes the \$50,000 mandated appropriation. The estimate reflects the cost of capitalizing the fund with \$1.0 million in general funds each year to ensure viability of the fund and meaningful grant funding for eligible programs. This estimate acknowledges that \$50,000 (the mandated level of funding) is insufficient to award grants to counties and municipalities throughout the State, even with the bill’s prioritization for awards. Thus, additional general funding is necessary, particularly given the costs to fund similar existing programs at the State and local levels. To the extent that funds are received from another source, such as federal or private grant funding, general fund expenditures to capitalize the fund may be reduced.

Correspondingly, beginning in fiscal 2019, special fund revenues increase by \$1.0 million annually to reflect general funds received, and special fund expenditures increase by up to \$1.0 million annually to reflect grants awarded.

*Administrative Expenses*

General fund expenditures for MDH increase by \$60,990 in fiscal 2019, which accounts for the bill’s October 1, 2018 effective date. This estimate reflects the cost of hiring one full-time program administrator to evaluate grant applications, consult with members of the Children’s Cabinet, establish procedures for the distribution of grant money, administer grant funding, and generally oversee the operation of the fund. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. This estimate assumes general funds are used since the special fund is not authorized to be used for administrative expenses.

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Salary and Fringe Benefits	\$55,631
Operating Expenses	<u>5,359</u>
<b>Total FY 2019 State Expenditures</b>	<b>\$60,990</b>

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses.

