

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1443 (Delegate Flanagan)
 Health and Government Operations

Public Health - Asthma Hot Spot Elimination Grant Program

This bill establishes an Asthma Hot Spot Elimination Grant Program within the Maryland Department of Health (MDH) to award grants to organizations, including nonprofit organizations, hospitals, and health care facilities, to develop and implement programs aimed at reducing or eliminating “asthma hot spots” and reducing the use of emergency departments in “asthma hot spots.” **The bill takes effect October 1, 2018, and terminates September 30, 2023.**

Fiscal Summary

State Effect: General fund expenditures increase by \$525,300 in FY 2019 to make awards under the grant program and hire staff. Future years reflect annualization and ongoing awarding of grants. Revenues are not affected.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	525,300	525,500	526,400	527,300	528,200
Net Effect	(\$525,300)	(\$525,500)	(\$526,400)	(\$527,300)	(\$528,200)

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

Local Effect: Local government finances and operations are not affected, as the bill does not authorize grant funding for local health departments.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: An “asthma hot spot” is an area with a population that suffers from higher than average rates of asthma and asthma-related illnesses.

MDH must administer the program and develop implementing regulations. To qualify for a grant, an applicant must submit an application for developing and implementing a program that (1) aims to reduce or eliminate specified asthma hot spots; (2) aims to reduce the number and frequency of emergency department visits for asthma or asthma-related illnesses in asthma hot spots; and (3) includes a process for measuring program outcomes. MDH must award grants on a competitive basis and prioritize awarding grants based on measureable outcomes.

Current Law/Background: Asthma is a life-threatening, chronic inflammatory disease of the airway that affects an individual’s ability to breathe. Asthma can be managed but not cured.

Chapter 366 of 2002 established the Asthma Control Program within MDH (then the Department of Health and Mental Hygiene). Under the program, MDH is responsible for establishing a statewide asthma coalition, developing and implementing a statewide asthma intervention program, developing and implementing an asthma surveillance system, and identifying sources of grant funding. The program is authorized to fund local asthma intervention initiatives and asthma education training for school or other appropriate personnel. The Secretary of Health is required to submit annual reports on the Asthma Control Program’s activities.

Despite the program losing federal funding from the U.S. Centers for Disease Control and Prevention in 2014, and no dedicated State funding, the program’s 2017 Legislative [Report](#) notes that significant progress has been made due to collaborative efforts among various State agencies. One new initiative is being implemented under the State’s Childhood Lead Poisoning Prevention and Environmental Case Management Program. This program allows for home visits to assess a home for asthma triggers and/or lead, education for caregivers, provision of durable materials to reduce asthma triggers, and efforts to eliminate or reduce environmental triggers for asthma and lead.

The program reports that the asthma prevalence rate among Maryland children is 9.7%, compared with a national prevalence rate of 9.2%. In fiscal 2015, billed charges for hospitalizations due to asthma totaled \$42.1 million, while billed charges for emergency visits due to asthma totaled an additional \$93.3 million.

State Fiscal Effect: MDH general funds increase by at least \$525,287 in fiscal 2019, which accounts for the bill’s October 1, 2018 effective date. This estimate assumes at least

\$500,000 is needed annually for awarding grants; it also reflects the cost of hiring one part-time (50%) contractual program administrator (as the program is in place for only five years) to establish regulations for the distribution and prioritization of grant money, evaluate grant applications, and award grants on a competitive basis. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.5
Grant Funding	\$500,000
Salary and Fringe Benefits	20,162
Operating Expenses	<u>5,125</u>
Total FY 2019 State Expenditures	\$525,287

Future year expenditures reflect a full contractual salary with annual increases and employee turnover, ongoing operating expenses, and continued awarding of \$500,000 in grants each year until program termination. This estimate assumes that awards are not made in the first quarter of fiscal 2024, however.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Small Business Effect: Certain small businesses may be eligible to receive grant funding under the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Health; Department of Legislative Services

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md/jc

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