

Department of Legislative Services  
 Maryland General Assembly  
 2020 Session

FISCAL AND POLICY NOTE  
 First Reader

Senate Bill 904 (Senator Smith)  
 Finance and Budget and Taxation

Sheila E. Hixson Behavioral Health Services Matching Grant Program for  
 Service Members and Veterans - Establishment

This bill establishes the Sheila E. Hixson Behavioral Health Services Matching Grant Program for Service Members and Veterans administered by the Maryland Department of Health (MDH). Beginning in fiscal 2021, the Governor *may* include an annual appropriation of \$2.5 million for the program in the operating budget. **The bill takes effect July 1, 2020.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$2.5 million annually beginning in FY 2021, as discussed below. MDH can likely administer the program using existing budgeted resources. Revenues are not affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Net Effect	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

### Bill Summary:

#### *Definitions*

“Eligible individual” means a service member, a veteran, or the spouse, child, or stepchild of a service member or veteran.

“Service member” means an individual who is an active-duty member of the U.S. Armed Forces, a reserve component of the U.S. Armed Forces, or the National Guard of any state.

“Veteran” means a former service member who was discharged from active-duty.

#### *Sheila E. Hixon Behavioral Health Services Matching Grant Program*

The program must award competitive matching grants to local nonprofit organizations to establish and expand community behavioral health programs that (1) serve the behavioral health needs of eligible individuals in the locality served by the nonprofit organization; (2) meet national standards; (3) integrate the delivery of mental health and substance use treatment; and (4) connect eligible individuals to appropriate community-based care in a timely manner on discharge from the community behavioral health program.

#### *Maryland Department of Health – Requirements*

MDH must establish (1) selection criteria to evaluate applicant proposals, including a positive scoring system that takes into account specified information; (2) application procedures; (3) a statewide system of outcome measurement to assess the effectiveness and adequacy of services provided by each nonprofit organization that receives a grant; (4) guidelines that require a nonprofit organization that receives a grant to bill third-party insurers or Medicaid; and (5) any other procedures necessary to implement the bill.

When awarding grants, MDH must give priority to proposals that best meet the established selection criteria, regardless of the proposal’s projected cost.

#### *Nonprofit Organizations – Applying for and Receiving Grants from the Program*

Nonprofit organizations with a mission to provide behavioral health services or provide services to eligible individuals are entitled to submit a proposal requesting a matching grant from the program. An eligible nonprofit organization must secure contributions equal to the amount of money requested from the program. Additionally, a nonprofit organization

that receives a grant from the program must submit any information that MDH determines is necessary for the statewide system of outcome measurement.

### *Reporting Requirements*

By December 1, 2022, and annually thereafter, MDH must submit a report for the most recent fiscal year that includes the number of grants distributed, the funds distributed by county, information about grant recipients and the services provided through grant funding, and outcome data reported under the statewide system of measurement.

### **Current Law:**

#### *Veteran and Armed Services Member Suicide Reporting*

Chapters 154 and 155 of 2018 require the Secretary of Health to publish an annual report on the suicides of veterans and members currently serving in the U.S. Armed Forces. The report may only include specified demographic information, the nature of service, and the method of suicide.

#### *Maryland Veterans Service Animal Program*

Chapter 416 of 2017 established the Maryland Veterans Service Animal Program. The program is designed to refer eligible veterans to selected nonprofit organizations to be paired with service dogs or support dogs and facilitate their training. The program has been expanded to also encompass equine therapy. One of the stated purposes of the program is to assist in the reduction of the Maryland veteran suicide rate.

#### *Maryland's Commitment to Veterans*

Chapter 555 of 2008 established Maryland's Commitment to Veterans within MDH and administered by the Behavioral Health Administration (BHA). The program assists veterans in coordinating comprehensive wellness and behavioral health services and directs veterans to federal services specifically available to veterans or to State resources when no federal services are available.

**Background:** According to the Defense Manpower Data Center, there were 29,509 active-duty military in Maryland as of September 30, 2019. Additionally, in its 2019 annual report, the Maryland Department of Veterans Affairs reported that approximately 371,000 veterans live in Maryland.

Veterans are more likely to suffer from a myriad of health problems, including chronic pain, substance use disorders, chemical exposure disorders, and mental illness. The

National Alliance on Mental Illness names three primary mental health concerns among individuals who served in the military: post-traumatic stress disorder, depression, and traumatic brain injury. Unfortunately, there is no accessible state-level data to provide a comparison of these three mental health concerns between Maryland veterans and the overall veteran populations. It is commonly accepted that all three are highly prevalent across the veteran community. All three of these conditions are interrelated and can lead to other issues such as homelessness or suicide – issues of concern surrounding veterans.

Veterans have unique needs around mental health. Despite those unique needs, only about 39.2% of Maryland veterans utilized the federal Veterans Administration (VA) health care system in 2017. Even among veterans that use VA health care, there are mental health access issues. The VA reports outpatient data to compare access and quality of care at its VA medical centers to commercial care across the same regions. In the two measures intended to assess access to mental health services – acute and continuation antidepressant medication management – the Baltimore VA Medical Center performs well below the regional score.

**State Expenditures:** General fund expenditures increase by \$2.5 million annually beginning in fiscal 2021 for the new grant program. The bill does not preclude this funding from being used to administer the program, and it is unclear whether it will need to be used for that purpose – in addition to providing grants. The Governor’s proposed fiscal 2021 budget includes additional permanent and contractual positions for BHA (although not specifically for this purpose) and BHA currently oversees Maryland’s Commitment to Veterans program; thus, MDH can likely administer the grant program with existing resources. MDH advised in 2019 that the department could implement a nearly identical program that was to be funded at a lower level with existing resources; however, due to recent audit findings, MDH now indicates that it would need three additional full-time positions to ensure the grants are awarded properly and are auditable. The Department of Legislative Services advises that, at most, one additional position may be needed (with oversight from existing or other new staff), which could be requested as part of the normal budget process.

Accordingly, this analysis assumes that the entire amount of the funds appropriated will be used to provide grants to eligible nonprofit organizations. To the extent that a portion of the funding is used for staffing, less money is available for grant awards. Further, unexpended funds revert to the general fund. Funding for the program is entirely discretionary; however, this analysis assumes the Governor appropriates the entire \$2.5 million authorized in the bill.

## **Additional Information**

**Prior Introductions:** SB 528 of 2019, a similar bill, received a hearing in the Senate Finance Committee but no further action was taken.

**Cross File:** HB 1515 (Delegate P. Young, *et al.*) - Health and Government Operations and Appropriations.

**Information Source(s):** Department of Budget and Management; Maryland Department of Health; Department of Veterans Affairs; Department of Legislative Services

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