

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 409

(Delegate Cullison, *et al.*)

Health and Government Operations

Finance

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Maryland Medical Assistance Program - Participation of School-Based Health Centers - Regulations

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This bill requires the Maryland Department of Health (MDH), by January 1, 2021, to revise its regulations regarding school-based health centers (SBHCs) that may participate in Medicaid to include SBHCs that have a written agreement with a sponsoring agency that meets the specified requirements identified by the Maryland State Department of Education (MSDE), including a sponsoring agency that (1) has a clinical director who is either a physician or a nurse practitioner; (2) is a local health department (LHD), a federally qualified health center (FQHC), a community health center, a hospital, a private medical practice, a university medical center, or any other sponsor approved by MDH and MSDE; and (3) has met all other applicable Medicaid requirements. **The bill takes effect July 1, 2020.**

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Fiscal Summary

**State Effect:** MDH can revise its regulations with existing budgeted staff and resources. To the extent the bill results in additional providers billing Medicaid for services provided at SBHCs, Medicaid expenditures increase by an indeterminate amount.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law/Background:** SBHCs are health centers located in a school or on a school campus that provide on-site comprehensive preventative and primary health services. Services may also include mental health, oral health, ancillary, and supportive services.

According to MSDE, in fiscal 2020, there are 84 SBHCs in 12 of Maryland's 24 jurisdictions. Most SBHCs are sponsored by LHDs or FQHCs, though there are 2 Maryland SBHCs with hospitals as their sponsoring agency.

All SBHCs must meet uniform statewide standards. Current standards specify that a sponsor may be an LHD, an FQHC or community health center, a hospital, a private medical practice or group, a university medical center, or a managed care organization (MCO). Sponsorship must include a clinical director or clinical consultant who is a physician or nurse practitioner with appropriate credentials for providing services to the population being served.

Separate from the MSDE requirements for sponsoring agencies and operation of SBHCs, Medicaid regulations (COMAR 10.09.76.03) specify the requirements for a SBHC to participate in and receive reimbursement from Medicaid. The regulations require that an SBHC have a written agreement with one of the following enrolled sponsoring agencies: (1) an LHD; (2) an FQHC; or (3) a general clinic. MDH advises that these existing Medicaid provider types meet the regulatory criteria to satisfy SBHC standards and are established safety net providers. Other entities (a hospital, private medical practice or group, university medical center, or MCO) may sponsor an SBHC, but the SBHC must enroll as a freestanding clinic in order to bill Medicaid. However, not all sponsoring agencies can meet the definition of freestanding clinic as federal regulations require clinic services to be "under the direction of a physician or a dentist."

**State Fiscal Effect:** To the extent this results in additional providers billing Medicaid for services provided at an SBHC, Medicaid expenditures increase by an indeterminate amount. Federal fund revenues increase accordingly. However, as Medicaid is already the primary payor for many SBHCs, this amount is not likely significant.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Association of County Health Officers; Maryland State Department of Education; Maryland Department of Health; Montgomery County Public Schools; Maryland Assembly on School-Based Health Care; Department of Legislative Services

**Fiscal Note History:** First Reader - February 3, 2020  
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