

**Department of Legislative Services**  
 Maryland General Assembly  
 2021 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 932  
 Finance

(Senator Benson)

**Maryland Medical Assistance Program – Coverage – Acupuncture Services**

This bill requires Medicaid, subject to the limitations of the State budget, to provide acupuncture services administered by a health care practitioner licensed by the State Acupuncture Board and operating within their scope of practice.

**Fiscal Summary**

**State Effect:** Medicaid expenditures increase by \$4.6 million (59% federal funds, 41% general funds) in FY 2022, as discussed below. Federal fund revenues increase accordingly. Future years reflect annualization. **The bill increases the cost of an entitlement program beginning in FY 2022.**

(\$ in millions)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
FF Revenue	\$2.7	\$3.6	\$3.6	\$3.6	\$3.6
GF Expenditure	\$1.9	\$2.5	\$2.5	\$2.5	\$2.5
FF Expenditure	\$2.7	\$3.6	\$3.6	\$3.6	\$3.6
Net Effect	(\$1.9)	(\$2.5)	(\$2.5)	(\$2.5)	(\$2.5)

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

**Local Effect:** None.

**Small Business Effect:** Meaningful.

**Analysis**

**Current Law:** Under the Early Periodic Screening, Diagnostic, and Treatment (better known as EPSDT) Program, Maryland Medicaid currently provides coverage for

acupuncture for recipients who are age 20 and younger. Medicaid does not cover acupuncture for adults age 21 and older.

**State Fiscal Effect:** Medicaid expenditures increase by an estimated \$4.6 million (59% federal funds, 41% general funds) in fiscal 2022, which accounts for the bill's October 1, 2021 effective date. Federal fund revenues increase accordingly. This reflects the cost to expand Medicaid coverage to include acupuncture services for adults ages 21 through 64. The information and assumptions used in calculating this estimate are stated below:

- The average monthly enrollment of adults ages 21 through 64 in HealthChoice is 561,133 in fiscal 2022.
- The average monthly enrollment of adults ages 21 through 64 in Medicaid fee-for-service (FFS) is 103,796 in fiscal 2022.
- The estimated actuarial cost to provide acupuncture is \$0.7616 per member per month.
- The total annual cost to provide acupuncture to HealthChoice enrollees ages 21 through 64 is \$5,128,310.
- The federal matching rate for HealthChoice enrollees is 61%.
- The total annual cost to provide acupuncture to FFS Medicaid enrollees ages 21 through 64 is \$948,611.
- The federal matching rate for FFS is 50%.
- The total cost to provide acupuncture to all Medicaid enrollees age 21 through 64 on an annual basis is \$6,076,921.
- For up to nine months of coverage in fiscal 2022, Medicaid costs increase by \$4,557,690 (a blended average of 59% federal funds, 41% general funds).

To the extent access to acupuncture for adult Medicaid enrollees ages 21 through 64 results in a reduction in other services or prescription drugs, Medicaid expenditures may be offset.

Future years reflect annualization and assume no change in enrollment or in the actuarial cost to provide acupuncture per member per month.

**Small Business Effect:** Licensed acupuncturists who are small businesses benefit from Medicaid reimbursement for acupuncture provided to adults ages 21 through 64.

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## Additional Information

**Prior Introductions:** SB 1009 of 2019 was assigned to the Senate Finance Committee, but was withdrawn.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - March 11, 2021  
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