

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
 Enrolled

House Bill 322 (Delegate Bagnall, *et al.*)

Health and Government Operations and
 Appropriations

Finance

Public Health - Home- and Community-Based Services for Children and Youth

This bill requires the Maryland Department of Health (MDH) to expand access to and provide reimbursement for specified wraparound, intensive in-home, and case management services relating to the 1915(i) Intensive Behavioral Health Services for Children, Youth, and Families Program. Beginning in fiscal 2024, the Behavioral Health Administration must fund 100 slots in the “mental health case management program” for children or youth who are not eligible for Medicaid services and are at risk of out-of-home placement. The Governor must include in the annual operating budget bill the following amounts to fund customized goods and services for youth receiving services under the 1915(i) model or mental health case management program: \$150,000 in fiscal 2025; \$250,000 in fiscal 2026; and \$350,000 in fiscal 2027 and each fiscal year thereafter. The bill also establishes specified consultation and reporting requirements for MDH.

Fiscal Summary

State Effect: General fund expenditures increase by *at least* \$3.5 million in FY 2024. General and federal fund expenditures increase by an additional indeterminate amount to reimburse for additional services; federal fund revenues increase accordingly (not shown). Future years reflect annualization, elimination of one-time costs, and the mandated appropriation. **This bill increases the cost of an entitlement program beginning in FY 2024. This bill establishes a mandated appropriation beginning in FY 2025.**

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	3,496,500	779,700	891,200	1,003,200	1,018,200
Net Effect	(\$3,496,500)	(\$779,700)	(\$891,200)	(\$1,003,200)	(\$1,018,200)

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

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Bill Summary:

Expanded Access and Reimbursement

MDH must provide reimbursement for (1) wraparound services delivered by care coordinators under a “high-fidelity wraparound model” under the 1915(i) model or a “mental health case management program” commensurate with industry standards for the reimbursement of such services; (2) intensive in-home services delivered by providers using “family-centered treatment,” “functional family therapy,” and other evidence-based practices under the 1915(i) model, as specified; and (3) at least one pilot program utilizing value-based purchasing (VBP) for case management services.

MDH must ensure that care coordinators delivering services under the 1915(i) model or a mental health case management program receive training in the delivery of “wraparound services.”

Consultation and Reporting Requirements

By December 1, 2023, MDH must consult early childhood community-based services stakeholders to ensure that services comparable to those available under the 1915(i) model are available for young children with acute or high-intensity behavioral health needs.

By December 1, 2023, and annually thereafter, MDH must report to the Senate Finance Committee and the House Health and Government Operations Committee on enrollment in the 1915(i) model and child and adolescent case management services, as specified.

By December 1, 2024, MDH, in consultation with stakeholders, must review for the 1915 (i) model (1) current eligibility requirements and provider reimbursement rates generally, including VBP and (2) current eligibility requirements and provider reimbursement rates for child and adolescent mental health case management services, including for youth with primary substance use disorders. MDH must submit recommendations for expanding eligibility and enrollment in these programs to the General Assembly.

Current Law: The 1915(i) Intensive Behavioral Health Services for Children, Youth, and Families Program (1915(i)) is a home- and community-based services benefit for children and youth with serious emotional disturbance and their families, as authorized by Maryland Medicaid’s 1915(i) State Plan Amendment. Participants are served by care coordination organizations through a care coordination service delivery model. The program covers

family peer support services, respite services, expressive and experiential behavioral services, and intensive in-home services.

To qualify for 1915(i) services, participants must be receiving targeted case management Level III services and meet certain medical necessity criteria. A comprehensive psychosocial assessment must be completed or updated within 30 days of the application submission by a licensed mental health professional. The assessment must outline how, due to behavioral health disorder(s), the participant exhibits significant impairment in functioning, representing potential serious harm to self or others across settings, including the home, school, and/or community. Other community services must be inadequate to meet the participant's needs due to the severity of the impairment without the provision of one or more of 1915(i) services.

Participants age 5 and younger must have a score of between 3 and 5 on the Early Childhood Service Intensity Instrument and either (1) be referred by a hospital, primary care provider, outpatient psychiatric facility, Early Childhood Mental Health Consultation Program in child care, Head Start, Early Head Start, Judy Hoyer Centers, or home visiting programs unit or (2) within the past 12 months, have had one or more psychiatric or day hospitalizations or emergency room visits, exhibited severe aggression, displayed dangerous behavior, have been suspended or expelled or at risk of expulsion from school or child care, displayed emotional and/or behavioral disturbances prohibiting their care by anyone other than their primary caregiver, have been at risk of out-of-home placement or placement disruption, have had severe temper tantrums that place the child or family members at risk of harm, have had trauma exposures and other adverse life events, or have been at risk of family-related risk factors, including safety, parent-child relational conflict, and poor health and developmental outcomes.

Participants ages 6 to 21 must have a score of between 3 and 6 on the Child and Adolescent Service Intensity Instrument and either have two or more inpatient psychiatric hospitalizations or emergency room visits in the past 12 months or been in a residential treatment center within the past 90 days.

In addition to meeting certain medical necessity criteria, participants must meet financial eligibility requirements. Participants are eligible with incomes up to 300% of the federal poverty level. This includes all children enrolled in Medicaid, the Maryland Children's Health Program (MCHP), and MCHP Premium. The 1915(i) program currently has 200 slots for children who meet the eligibility described above.

State Fiscal Effect:

Expansion of Services and Reimbursement Requirements

Under the bill, MDH must expand access to and provide reimbursement for specified wraparound, intensive in-home, and case management services relating to the 1915(i) program. This includes funding 100 additional slots in the mental health case management program for children or youth who are not eligible for Medicaid services and who are at risk of out-of-home placement. The Behavioral Health Administration advises that there are 75 slots currently funded in the mental health case management program. Thus, to provide an additional 25 slots for individuals ineligible for Medicaid at an annual average cost per client of \$14,820, MDH general fund expenditures increase by *at least* \$370,500 annually (or \$277,875 in fiscal 2024 to account for the bill's October 1, 2023 effective date). This does not account for the additional services that must be reimbursed under the bill.

The bill also requires MDH to reimburse at least one pilot program utilizing VBP for case management. As VBP can take various approaches, at this time, MDH does not have a model designed for VBP for case management. As such, MDH would need to develop a program by assessing various models. This would have an indeterminate fiscal impact on MDH that is not reflected in this analysis.

Mandated Funding for Customized Goods and Services for Youth

General fund expenditures increase by \$150,000 in fiscal 2025, \$250,000 in fiscal 2026, and \$350,000 in fiscal 2027 and each fiscal year thereafter to reflect the bill's mandated appropriation to fund customized goods and services for youth served under the 1915(i) model or mental health case management program.

Personnel, Consultation, and Reporting

In addition to other requirements regarding the expansion of 1915(i) services, the bill requires MDH to (1) consult with early childhood community-based services stakeholders by December 1, 2023; (2) submit annual reports on 1915(i) enrollment to specified committees of the General Assembly beginning December 1, 2023; and (3) conduct a major review of the 1915(i) model, including eligibility criteria and reimbursement rates, by December 1, 2024. MDH advises that additional personnel and contractual services are needed to fulfill these requirements.

Thus, general fund expenditures increase by as much as \$3,218,649 in fiscal 2024, which accounts for the bill's October 1, 2023 effective date. This estimate reflects the cost of hiring one program manager, one health policy analyst, and one coordinator of special

programs to oversee and coordinate training for care coordinators, update regulations, submit annual reports on enrollment, and work with a consultant to review the 1915(i) model and ensure that comparable services are available. It includes salaries, fringe benefits, contractual expenses to hire a consultant, one-time start-up costs, and ongoing operating expenses. MDH advises that it must contract with a consultant with expertise in 1915(c) and 1915(i) waivers as well as the utilization of higher-intensity services under a wraparound model. This contract is estimated to cost \$3.0 million. This analysis assumes these costs are incurred in fiscal 2024; however, a portion of the costs may be incurred in fiscal 2025, as the report on MDH’s review of the model is due by December 1, 2024. To the extent a consultant is less costly, general fund expenditures are reduced.

Positions	3.0
Salaries and Fringe Benefits	\$196,422
Contract with Consultant	3,000,000
Operating Expenses	<u>22,227</u>
Total FY 2024 Personnel/Consultant Expenditures	\$3,218,649

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Small Business Effect: Small business behavioral health care providers that provide services for which reimbursement is mandated under the bill or for which additional funding is required serve additional clients and receive additional reimbursement.

Additional Comments: To the extent that expenditures on additional services under the bill improve individuals’ behavioral health and reduce the need for other behavioral health services, overall expenditures are likely offset over the long term.

Additional Information

Prior Introductions: Similar legislation has been introduced within the last three years. See SB 637 and HB 935 of 2022.

Designated Cross File: SB 255 (Senator Hester) - Finance.

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

Fiscal Note History:
rh/ljm

First Reader - February 14, 2023

Third Reader - March 28, 2023

Revised - Amendment(s) - March 28, 2023

Revised - Updated Information - March 28, 2023

Enrolled - April 19, 2023

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