

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 418

(Delegate Bagnall, *et al.*)

Health and Government Operations

Budget and Taxation and Finance

Mental Health - Workforce Development - Fund Established

This bill establishes the Behavioral Health Workforce Investment Fund to provide reimbursement for costs associated with educating, training, certifying, recruiting, placing, and retaining behavioral health professionals and paraprofessionals. The Maryland Department of Health (MDH) must administer the fund and submit a specified annual report. The fund is subject to audit by the Office of Legislative Audits (OLA). The Maryland Health Care Commission (MHCC), in coordination with specified stakeholders, must conduct a comprehensive behavioral health workforce needs assessment. The assessment, which must recommend an initial allocation to the fund and identify which programs the allocation will support, must be submitted to specified committees of the General Assembly by October 15, 2024. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: Special fund expenditures for MHCC increase by \$75,000 in FY 2024 only to conduct the assessment. MDH can administer and OLA can audit the fund within existing budgeted resources. General fund expenditures and special fund revenues increase by *at least* \$1.0 million annually beginning in FY 2025 to capitalize the fund – under assumptions discussed below, with corresponding special fund expenditures to provide reimbursement. Special fund revenues may increase for State agencies (not shown below).

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
SF Revenue	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
GF Expenditure	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
SF Expenditure	\$75,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net Effect	(\$75,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)

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

Local Effect: Revenues for local governments and/or local health departments may increase to the extent they are eligible for reimbursement from the fund. Expenditures are not directly affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Behavioral Health Workforce Investment Fund

The special, nonlapsing fund consists of money appropriated in the State budget, interest earnings, and any other money from any source accepted for the benefit of the fund. Each year, MDH must report, for the immediately preceding fiscal year (1) the amount of funds transferred and distributed from the fund; (2) the number of behavioral health professionals and paraprofessionals educated, trained, recruited, certified, placed, or retained with money from the fund, aggregated as specified; (3) the amount of any unspent funds; and (4) the reason why any unspent funds were not spent.

Comprehensive Behavioral Health Workforce Needs Assessment

The comprehensive behavioral health workforce needs assessment conducted by MHCC, in coordination with the Behavioral Health Administration, the Maryland Higher Education Commission (MHEC), the Maryland Department of Labor (MDL), the Career and Technical Education Committee, and other interested stakeholders, must (1) determine the unmet need and capacity of the behavioral health workforce in the State; (2) calculate the total number of additional behavioral health professionals and paraprofessionals needed over specified timeframes; (3) make findings and recommendations regarding the types of training, education, and tuition assistance programs necessary to certify, recruit, place, supervise, and retain those additional behavioral health professionals and paraprofessionals; and (4) recommend an initial allocation to the fund.

Current Law:

Commission to Study the Health Care Workforce Crisis in Maryland

Chapters 707 and 708 of 2022 established the Commission to Study the Health Care Workforce Crisis in Maryland to, among other things, determine the extent of the health care workforce shortage in the State including the extent of shortages in community-based behavioral health treatment programs, examine the short-term solutions to address the immediate needs for identified shortages, and examine future health care workforce needs. The commission must issue its final report by December 31, 2023.

Career Pathways for Health Care Workers Program

Chapter 403 of 2022 established the Career Pathways for Health Care Workers Program administered by the Division of Workforce Development and Adult Learning (DWDAL) in MDL. The purpose of the program is to provide matching grants to hospitals or related institutions that pay for training programs attended by health care workers, with the goal of providing increased opportunities for health care workers to receive training across the State.

Direct Care Workforce Innovation Program

Chapter 699 of 2021 established a Direct Care Workforce Innovation Program within DWDAL to provide matching grants to eligible entities to create and expand on successful recruitment and retention strategies that address the range of potential barriers to increasing the number of direct care workers, with the goal of ensuring the availability of trained direct care workers across the State.

Employment Advancement Right Now Program

The Employment Advancement Right Now (EARN) program was established in 2013 to create industry-led partnerships to advance the skills of the State's workforce, grow the State's economy, and increase sustainable employment for working families. Specifically, the program provides general fund grants on a competitive basis for industry partnerships, workforce training programs, and job-readiness and skills training, including direct care workforce training programs. Under the EARN program, DWDAL has invested in several direct care workforce training programs across the State.

Nurse Support Program Assistance Fund

The Health Services Cost Review Commission (HSCRC) established the Nurse Support Program II (NSPII) to increase the number of nurses and nurse educators. NSPII is administered by MHEC in collaboration with HSCRC and was codified by Chapters 221 and 226 of 2006. NSPII has two components: (1) competitively awarded grants to fund innovative nurse education collaborations between nursing schools and hospitals; and (2) statewide stipends and scholarships to support nurse educators and, to a lesser degree, service-obligated bedside nurses.

State Fiscal Effect:

Comprehensive Behavioral Health Workforce Needs Assessment

MHCC advises it will require a one-time expenditure of \$75,000 in fiscal 2024 to contract with a workforce economist to assist in the completion of the required assessment. Thus, MHCC special fund expenditures increase by \$75,000 in fiscal 2024 only. MHCC further advises that the commission has sufficient funds available to cover this expenditure.

Capitalization of the Behavioral Health Workforce Fund

The bill establishes the Behavioral Health Workforce Investment Fund to provide reimbursement for costs associated with educating, training, certifying, recruiting, placing, and retaining behavioral health professionals and paraprofessionals. The bill does not specify a funding amount for the fund. However, the MHCC comprehensive behavioral health workforce needs assessment must recommend an initial allocation to the fund and identify specifically which programs the allocation will support and the number of professionals and paraprofessionals the allocation will train, certify, recruit, and place.

The Department of Legislative Services notes that a significant level of funding is likely necessary to create a viable fund and provide reimbursement as authorized. The actual level of funding and fiscal year for capitalization will depend on the recommendations made in the MHCC assessment and timing for completion of the assessment, which is not *due* until October 15, 2024, but could be completed sooner. Nevertheless, for purposes of this analysis, it is assumed that *at least* \$1.0 million in general funds is provided to capitalize the fund beginning in fiscal 2025. Actual funding may vary significantly and could even be provided as early as fiscal 2024, given the bill's requirement for a report, beginning in 2024, on how funding was used in the prior year. Alternatively, provision of any funding could be delayed until fiscal 2026, the first budget prepared after the assessment is due. MDH special fund revenues and expenditures increase accordingly.

The bill does not specify how reimbursement will be provided from the fund or which programs or entities will be eligible for reimbursement. While MDH advises that the department can *administer the fund* with existing resources, to the extent that additional administrative expenditures are necessary to provide reimbursement based on the assessment report, MDH general fund expenditures may increase beginning as early as fiscal 2025. Special funds cannot be used for administrative purposes under the bill.

Other Agency Effects

To the extent that State agencies are eligible for reimbursement from the fund, special fund revenues may increase for other State agencies (*e.g.*, MHEC and the University System of Maryland.)

Small Business Effect: Small business behavioral health providers benefit to the extent they receive reimbursement from the fund and are able to recruit and retain additional behavioral health professionals and paraprofessionals.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 283 (Senator Augustine) - Budget and Taxation and Finance.

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

Fiscal Note History: First Reader - February 6, 2023
km/jc Third Reader - March 23, 2023
Revised - Amendment(s) - March 23, 2023

Analysis by: Amber R. Gundlach

Direct Inquiries to:
(410) 946-5510
(301) 970-5510