

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 498

(Senators Hershey and Mautz)

Finance

Health and Government Operations

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**Rural Health Collaborative Pilot Repeal and Mid Shore Health Improvement Coalition Funding**

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This bill repeals the Rural Health Collaborative Pilot (RHCP). Beginning in fiscal 2024, the Governor must provide an annual appropriation in the State budget to fund the operations of the Mid Shore Health Improvement Coalition. **The bill takes effect July 1, 2023.**

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**Fiscal Summary**

**State Effect:** General fund expenditures of \$150,000 annually are maintained beyond FY 2023 but shift from RHCP to the Mid Shore Health Improvement Coalition. Revenues are not affected.

**Local Effect:** Local revenues and expenditures are maintained beyond FY 2023 but shift from RHCP to the Mid Shore Health Improvement Coalition.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Chapter 420 of 2016, among other actions, established a workgroup on rural health care delivery to oversee a study of health care delivery in the mid-shore region and to develop a plan for meeting the health care needs of the area. The [report](#) of the workgroup recommended, among other things, establishing and supporting a rural health collaborative to oversee the development and establishment of a rural community health complex program.

## *Rural Health Collaborative Pilot*

Chapter 606 of 2018 established RHCP within the mid-shore region (Caroline, Dorchester, Kent, Queen Anne's, and Talbot counties) as an independent unit within the Maryland Department of Health. The purposes of the collaborative are to:

- lead a regional partnership in building a rural health system that enhances access to and utilization of health care services designed to meet the triple aim of (1) providing health care; (2) alignment with the State's Medicare waiver; and (3) improving population health;
- mediate disputes between stakeholders;
- assist in collaboration among health care service providers in the mid-shore region;
- increase the awareness among county officials and residents regarding the health status, health needs, and available resources in the mid-shore region; and
- enhance rural economic development in the mid-shore region.

The collaborative must direct the establishment of rural health complexes by (1) assessing the needs of communities in the mid-shore region that lack access to essential community-based primary care, behavioral health, specialty care, or dental care services; (2) identifying care delivery models that have the potential to reduce deficits in care; and (3) convening health and hospital systems, community organizations, and local stakeholders to build consensus on the appropriate scale of a rural health complex.

The Secretary of Health must approve a rural health complex (1) recommended by the collaborative; (2) that meets the standards and criteria established by the collaborative; and (3) if the rural health complex demonstrates that it meets established standards and criteria.

The Rural Health Care Collaborative Executive Committee, consisting of specified individuals, must provide general direction to the collaborative and make operating decisions on projects approved by the collaborative. With the approval of the Secretary, the executive committee must appoint an executive director of the collaborative and determine the appropriate compensation for the executive director. The executive director must be the chief administrative officer of the collaborative; direct, administer, and manage the operations of the collaborative; and perform all duties necessary to comply with and carry out the collaborative. The executive director may employ staff in accordance with the State budget.

Beginning in fiscal 2019, the Governor must fully fund the operations of RHCP.

The collaborative is authorized to adopt bylaws, rules, policies, and regulations; maintain an office; apply for and receive grants, contracts, or other funding; issue and award

contracts and grants; and do all things necessary and convenient to carry out the powers granted to the collaborative. The collaborative may also create and consult with *ad hoc* advisory committees. RHCP issued an [interim report](#) in August 2019, and its initial [required report](#) in November 2020, on standards and criteria that a community must meet to establish a rural health complex. However, RHCP has not met since 2020.

**Local Effect:** The Kent County Health Department is the current recipient of funding for RHCP. Since fiscal 2019, annual funding of \$150,000 has been provided. It is assumed that this funding continues under the bill but is instead provided for the Mid Shore Health Improvement Coalition.

**Additional Comments:** While not established in statute, all jurisdictions in the State have a Local Health Improvement Coalition to address pressing health issues. In 2021, the five mid-shore counties (Caroline, Dorchester, Kent, Queen Anne's, and Talbot) created the Mid Shore Health Improvement Coalition to share knowledge and leverage scarce resources within the region. The coalition is currently focused on diabetes/healthy living, health equity/social determinants of health, tobacco/cancer, telehealth, health literacy, and provider recruitment and retention.

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## Additional Information

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

**Designated Cross File:** HB 497 (Delegate Jacobs, *et al.*) - Health and Government Operations.

**Information Source(s):** Caroline, Kent, and Queen Anne's counties; Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2023  
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