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FISCAL AND POLICY NOTE
First Reader

Senate Bill 628 (Senator Lam)

Finance and Education, Energy, and the
Environment

School-Based Health Centers - Services, Infrastructure, and Funding

This bill requires the Maryland Department of Health (MDH), by January 1, 2024, to develop (1) a funding allocation formula for school-based health centers (SBHCs), as specified and (2) a budget proposal to provide sufficient funding with the goal of establishing at least one SBHC in each county. The Secretary of Health must include specified infrastructure needs in the guidelines to support the expansion of SBHCs. Beginning January 1, 2024, subject to the limitations of the State budget, Medicaid must provide coverage for sports physicals performed by SBHCs.

Fiscal Summary

State Effect: MDH can *develop* the required funding allocation formula and budget proposal and update guidelines to support the expansion of SBHCs using existing budgeted resources. Any impact on Medicaid to cover sports physicals performed by SBHCs is assumed to be minimal and absorbable. Revenues are not materially affected.

Local Effect: Any impact on local health departments (LHDs) that sponsor SBHCs is anticipated to be minimal. Revenues are not affected based on the *development* of a funding allocation formula or specified budget proposal; however, Medicaid may pay for sports physicals performed by SBHCs.

Small Business Effect: Minimal.

Analysis

Bill Summary: By January 1, 2024, MDH must develop a funding allocation formula for SBHCs that incorporates (1) multi-year operational grant funding, as specified; (2) funding to organizations that are considering opening SBHCs; (3) base funding to any approved

SBHCs seeking State funding, as specified; and (4) add-on payments for the highest need areas and for meeting quality metrics. The quality metrics established may use annual survey data, as specified. MDH may use annual survey data related to SBHCs to set a percent increase improvement target and allocate funding equally across all SBHCs that meet the improvement target.

Guidelines to support the expansion of SBHCs must include (1) the infrastructure needed for SBHCs to join the federal Vaccines for Children (VFC) Program and (2) how to account for infrastructure in school development construction plans that is needed for schools to establish an SBHC, including the infrastructure needs for a SBHC to participate in VFC. These guidelines must include estimated costs for addressing infrastructure needs to join VFC.

Current Law:

School-based Health Centers

SBHCs are health centers located in a school or on a school campus that provide on-site comprehensive preventive and primary health services. Services may also include behavioral health, oral health, ancillary, and supportive services.

Chapters 605 and 606 of 2021 transferred administration of SBHC grants and any related functions from the Maryland State Department of Education to the Bureau of Maternal and Child Health in MDH effective July 1, 2022.

Sports Physicals

Maryland regulations (10.09.76.05) currently prohibit Medicaid reimbursement for routine sports physicals by SBHCs. However, Medicaid reimburses for sports physicals provided by other health care providers.

Vaccines for Children

According to the U.S. Centers for Disease Control and Prevention, VFC provides vaccines to children whose parents or guardians may not be able to afford them. Vaccines available through VFC are those recommended by the Advisory Committee on Immunization Practices. Eligibility for VFC extends to children who are younger than age 19 and either Medicaid-eligible, uninsured, underinsured, or American Indian or Alaska Native. Children whose health insurance covers vaccinations are not eligible for VFC.

State Expenditures: MDH can *develop* the required funding allocation formula and budget proposal and update guidelines to support the expansion of SBHCs using existing

budgeted resources. This analysis does not reflect any fiscal impact associated with *implementation* of the funding formula or budget proposal required to be developed under the bill.

As of December 2022, there were 95 SBHCs in 17 of Maryland's 24 jurisdictions. The 7 jurisdictions that do not have an SBHC are Allegany, Anne Arundel, Calvert, Carroll, Cecil, Charles, and Garrett counties. In fiscal 2022, SBHCs received more than \$7.0 million in grant funding. Accordingly, *for illustrative purposes only*, the budget proposal must, at a minimum, include additional funding to support SBHCs in at least seven additional jurisdictions.

As Medicaid currently provides coverage for sports physicals performed by providers other than SBHCs, any impact on Medicaid to also cover sports physicals performed by SBHCs is assumed to be minimal and absorbable. Revenues are not materially affected.

Local Fiscal Effect: As this analysis does not reflect any fiscal impact associated with *implementation* of the funding formula or budget proposal required to be developed by MDH under the bill, there is no meaningful impact on LHDs from that provision. However, any new funding formula or budget proposal likely increases revenues for LHDs that sponsor (or wish to sponsor) SBHCs. Nearly 70% of existing SBHCs are sponsored by LHDs.

Further, to the extent Medicaid covers sports physicals provided by SBHCs, revenues for SBHCs that perform such physicals may increase minimally.

Additional Comments: A [needs assessment](#) of MDH's SBHC program was completed in December 2022.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Association of County Health Officers; Maryland State Department of Education; Maryland Department of Health; Department of Legislative Services

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