

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 790 (Senator Augustine)
 Finance

Maryland Department of Health - Workgroup to Implement Early and Periodic Screening, Diagnostic, and Treatment Requirements

This bill requires the Maryland Department of Health (MDH) to convene a workgroup to implement specified Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requirements. The workgroup must include specified members. By December 1, 2025, MDH must submit a report of findings and recommendations to the General Assembly. **The bill takes effect July 1, 2025, and terminates June 30, 2026.**

Fiscal Summary

State Effect: MDH expenditures increase by \$96,000 (50% general funds, 50% federal funds) in FY 2026 only for contractual personnel, as discussed below. Federal fund revenues increase accordingly.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
FF Revenue	\$48,000	\$0	\$0	\$0	\$0
GF/FF Exp.	\$96,000	\$0	\$0	\$0	\$0
Net Effect	(\$48,000)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The workgroup must create a plan to implement the recommendations contained in the federal Centers for Medicare and Medicaid Services' (CMS) State Health Official (SHO) letter [#24-005](#): *Best Practices for Adhering to EPSDT Requirements*.

The plan must address (1) screening and assessment of behavioral health conditions; (2) the feasibility of implementing a specified diagnostic tool for patients younger than age five; (3) community-based services to correct and ameliorate behavioral health conditions; and (4) services to ensure children’s behavioral health, early symptoms of concern (with or without a diagnosis), and urgent and crisis needs.

Current Law: The EPSDT Program is a federal requirement that mandates that states cover certain benefits for Medicaid recipients from birth through age 20 – benefits that are not necessarily covered for recipients who are aged 21 and older. Maryland’s EPSDT Program promotes access to, and ensures availability of, quality health care for Medicaid-eligible children, teens, and adults younger than 21. The program provides appropriate, practice-based performance improvement assessments and targeted interventions to enhance the quality of health services delivered by Medicaid providers.

The preventive care component of EPSDT is known as the Healthy Kids Program. Preventive health care services allow for early identification and treatment of health problems before they become medically complex and costly to treat. Standards for the Healthy Kids Program are developed through collaboration with key stakeholders.

The federal Bipartisan Safer Communities Act requires the U.S. Secretary of Health and Human Services to issue guidance to states on EPSDT Medicaid coverage requirements that includes best practices for ensuring children have access to comprehensive health care services, including children without a mental health or substance use disorder diagnosis. In September 2024, CMS issued guidance via SHO # 24-005 that is intended to provide an overview of EPSDT requirements and how states can meet the goal of EPSDT – the right care, to the right child, at the right time, in the right setting. The guidance discusses policies, strategies, and best practices to maximize health care access and utilization for EPSDT-eligible children.

State Fiscal Effect: MDH advises that, particularly given the five-month timeframe within which the workgroup must meet and create a plan, additional resources are required. Thus, MDH expenditures increase by \$96,043 (50% general funds, 50% federal funds) in fiscal 2026, which reflects the bill’s July 1, 2025 effective date. Federal fund revenues increase accordingly. This estimate reflects the cost of hiring one contractual health policy analyst to staff the workgroup, submit the report, and assist with implementation of EPSDT requirements. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$88,398
Operating Expenses	<u>7,645</u>
Total FY 2026 State Expenditures	\$96,043

This analysis assumes that the contractual position terminates June 30, 2026, following submission of the report and initial implementation of the new EPSDT requirements (and consistent with the bill's termination date). To the extent that the contractual position is not needed after the plan is submitted, expenditures (and federal matching fund revenues) are reduced.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Additional Information

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

Designated Cross File: HB 1083 (Delegate Woods, *et al.*) - Health and Government Operations.

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

Fiscal Note History: First Reader - February 28, 2025
km/ljm

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