

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 213

(Chair, Finance Committee)(By Request - Departmental -
Health)

Finance

Health and Government Operations

Health - Maternal and Child Health Population Health Improvement Fund - Use

This departmental bill extends, from December 31, 2025, to December 31, 2027, the date through which the Maternal and Child Health Population Health Improvement Fund may be used for maternal and child health population health improvements. The bill allows the Maryland Department of Health (MDH) to spend – through calendar 2027 – any monies remaining in the fund on December 31, 2025. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Residual monies available in the special fund continue to be expended by MDH through the first half of FY 2028 and continue to be used in lieu of general funds, including to match federal fund revenues and expenditures (to the extent funds are used for Medicaid). No new special fund revenues are collected, and special fund expenditures have already been accounted for, but over a shorter period.

Local Effect: None.

Small Business Effect: MDH has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: Chapter 150 of 2021 (the Budget Reconciliation and Financing Act of 2021) established a Maternal and Child Health Population Health Improvement Fund to invest in maternal and child population health improvements in Medicaid and MDH's

Prevention and Health Promotion Administration through calendar 2025. The fund is administered by MDH and the Health Services Cost Review Commission (HSCRC). Funding is derived from a uniform, broad-based assessment built into hospital rates, which must be approved by a majority of HSCRC members. Expenditures from the fund may only be made in accordance with the State budget and after the approval of a majority of HSCRC members. Money expended from the fund is supplemental to funding that would otherwise be appropriated for Medicaid. The fund is subject to audit by the Office of Legislative Audits.

Background: The hospital assessment for maternal and child health was approved by HSCRC in May 2021 and terminates at the end of calendar 2025. HSCRC approved \$40 million in cumulative funding; specifically, for fiscal 2022 through 2025, \$8 million annually to Medicaid to address severe maternal morbidity (funding that is eligible for federal matching funds) and \$2 million annually to the Prevention and Health Promotion Administration (PHPA) to support childhood asthma initiatives and additional maternal morbidity interventions. The following programs are currently or have been funded from the fund: for Medicaid, the Home Visiting Services Pilot, reimbursement for doula services; Centering Pregnancy (which provides group-based prenatal care in a comfortable, community setting); HealthySteps (resources, screenings, support, and services for the first three years of a child's life); expansion of the Maternal Opioid Misuse model; and for PHPA, the Asthma Home Visiting Program and the Eliminating Disparities in Maternal Health Initiative.

MDH and HSCRC advise that unspent funds will likely remain in the fund at the end of calendar 2025. The bill allows any such funds to be expended to continue to scale and mature maternal and child health programs for two additional years.

State Fiscal Effect: HSCRC advises that, by the end of fiscal 2025, the fund will have a balance of \$24.1 million. A portion of that estimated balance may be spent between June 30, 2025, and December 31, 2025, thus reducing that balance. Therefore, under the bill, up to \$24.1 million may remain in the fund at the end of calendar 2025.

The fiscal and policy note for Chapter 150 assumed a total of \$40 million in special fund revenues to the fund from the assessment (\$5 million in fiscal 2022, \$10 million annually in fiscal 2023 through 2025, and \$5 million in fiscal 2026), with corresponding special fund expenditures and additional federal fund revenues and expenditures (\$4 million in fiscal 2022, \$8 million annually in fiscal 2023 through 2025, and \$4 million in fiscal 2026) from Medicaid federal matching funds. Under the bill, up to \$24.1 million of these funds (should they remain unspent at the end of calendar 2025) may be available to be expended for maternal and child health programs and services in fiscal 2026 through 2028. In the

absence of the bill, any unspent funds would remain in the fund, and MDH would require general funds to continue such expenditures.

Additional Information

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

Designated Cross File: HB 170 (Chair, Health and Government Operations Committee)(By Request - Departmental - Health) - Health and Government Operations.

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

Fiscal Note History: First Reader - January 13, 2025
js/ljm Third Reader - February 7, 2025

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Health - Maternal and Child Health Population Health Improvement Fund - Use

BILL NUMBER: SB 213

PREPARED BY: Health Services Cost Review Commission

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposal has no economic impact.