

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 845 (Delegate Pena-Melnyk, *et al.*)
Health and Government Operations

Public Health - Overdose and Infectious Disease Prevention Services Program

This bill authorizes a “community-based organization” (CBO) to establish an Overdose and Infectious Disease Prevention Services Program. The bill regulates the application process for a CBO, what a program may do, the number of programs that may be established, and the locations in which they may be established. The bill also establishes immunity from civil and administrative penalties for staff and participants. Finally, the bill establishes annual reporting requirements for programs to submit to the Maryland Department of Health (MDH), the Senate Finance Committee, and the House Health and Government Operations Committee. **The bill takes effect July 1, 2025, and terminates June 30, 2029.**

Fiscal Summary

State Effect: The bill’s administrative requirements can be handled within existing budgeted resources, as discussed below. However, Medicaid expenditures (general and federal funds) may increase minimally beginning in FY 2026; federal fund revenues increase correspondingly.

Local Effect: Potential significant operational and fiscal impact for some local health departments (LHDs), as discussed below.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: “Community-based organization” means a public or private organization that is representative of a community or significant segments of a community and that

provides educational, health, or social services to individuals in the community. The definition includes a hospital, clinic, substance use disorder treatment center, federally qualified health center, mental health facility, LHD, and faith-based organizations.

The bill authorizes a CBO to establish an overdose and infectious disease prevention services program with approval from MDH and with the advice of an LHD.

MDH, in consultation with the LHD, must evaluate applications based on the ability of a CBO to meet the specified program requirements and make a decision regarding approval within 45 days of receiving an application.

MDH may approve up to six programs, and each program must operate at a single location in an area with a high incidence of drug use. If possible, the six programs should be divided evenly among urban, suburban, and rural areas of the State. Programs may not be in areas zoned for residential uses.

Among other requirements, a program must:

- have a location where trained staff can supervise the use of pre-obtained drugs;
- provide sterile supplies and collect and dispose of used supplies for personal drug administration;
- monitor participants for potential overdose and administer first aid or rescue medications if needed;
- provide access or referrals to other health care services, including substance use disorder counseling and treatment, testing for sexually transmitted infections, and reproductive health services;
- educate participants on safe drug use practices, overdose prevention, proper needle and syringe disposal, and the risks of HIV and viral hepatitis;
- ensure the program site and equipment are secure; and
- train staff members to deliver all services offered by the program.

A program may (1) bill the insurance carrier of a participant for the cost of covered services; (2) apply for and accept financial assistance such as donations or grants; (3) coordinate with other CBOs, and/or (4) use a mobile facility.

Program participants, staff, and property owners of a facility at which a program is located and operates in accordance with the bill's provisions may not be subject to arrest, prosecution, or any civil and administrative penalty (including action by a professional licensing board), nor may they be subject to the seizure or forfeiture of any real or personal property used in connection with a program in accordance with State or local law.

However, these individuals are not immune from criminal prosecution for any activities not authorized or approved by the program.

Once established, a program must annually report a range of data about its operations, including (1) a summary of the demographics of program participants; (2) the number of participants and number of times a participant used the program; (3) the number of items distributed for on-site drug administration; (4) the number of overdoses experienced and reversed on-site; (5) the number of participants who received overdose care and the type and number of rescue drugs used; and (6) the number of individuals referred to other services and the type of service to which they were referred.

Current Law: Chapter 348 of 2016 authorizes an LHD or CBO, with the approval of MDH and the appropriate local health officer, to establish an opioid-associated disease prevention and outreach program. An LHD or CBO must apply to MDH and a local health officer for authorization to operate a program and receive their joint approval. An opioid-associated disease prevention and outreach program must:

- secure program locations and equipment;
- allow participants to obtain and return hypodermic needles and syringes at any program location, if more than one location is available;
- have appropriate staff expertise in working with individuals who inject drugs;
- include adequate staff training;
- disseminate other means for curtailing the spread of HIV and viral hepatitis;
- link individuals to additional services, including substance-related disorder counseling, treatment, and recovery services; testing for specified diseases; reproductive health education and services; wound care; and overdose response program services;
- educate participants on the dangers of contracting HIV and viral hepatitis;
- provide overdose prevention education and access to naloxone or a referral to obtain naloxone;
- establish procedures for identifying program participants in accordance with specified confidentiality provisions;
- establish methods for identifying and authorizing staff members and volunteers who have access to hypodermic needles, syringes, and program records;
- develop a plan for data collection and program evaluation; and
- collect and report specified information to MDH at least annually.

State Fiscal Effect: MDH advises that it would need to hire 58 new staff members to administer various facets of overdose and infectious disease prevention services programs across the State. When including equipment and other operating expenses, it estimates an

increase of \$7.5 million in general fund expenditures in fiscal 2026, which increases to \$7.6 million in fiscal 2029 before the bill terminates. However, MDH has previously advised for similar legislation that it could consult with an LHD and approve (or deny) applications from CBOs with written justification for the decision using existing budgeted resources. Moreover, the bill is *authorizing* in nature and only requires MDH to act if a CBO applies to establish a program under the bill. Thus, the Department of Legislative Services (DLS) advises that MDH can administratively implement the bill using existing budgeted resources.

Some services (including sexually transmitted infection tests, first aid care, reproductive health care services, and coverage for dispensed naloxone) provided by a program to a Medicaid participant, when medically necessary and delivered by specified providers, may be covered by Medicaid. Thus, Medicaid expenditures (and matching federal fund revenues) increase to the extent that programs are established, Medicaid participants access services that they otherwise would not have accessed, and the program bills Medicaid for the services.

Local Fiscal Effect: Expenditures increase significantly (through fiscal 2029) for any LHD that chooses to implement a program as authorized under the bill. It is unknown how much such a program will cost, and there would likely be significant variations among programs, depending on the size, number of health care professionals, hours, variety of services, and population served. MDH has previously advised that implementing an opioid-associated disease prevention and outreach program for an average-sized LHD costs approximately \$400,000. Thus, establishing a program under the bill likely costs at least \$400,000. However, the Maryland Association of County Health Officers advises that no LHD plans to set up an overdose and infectious disease prevention services program at this time, except potentially Baltimore City. DLS notes that LHDs are *not* mandated to establish a program under the bill. Additionally, some expenditures may be offset by billing insurance companies for certain services, donations, grants, or other financial assistance.

Small Business Effect: To the extent that a CBO is a small business and establishes a program under the bill, expenditures increase significantly, as discussed under the local fiscal effect. Expenditures may be offset by billing insurance companies (including Medicaid) for certain services, or from donations, grants, or other financial assistance.

Additional Comments: Although the bill authorizes a program to accept grants from various entities and to apply for grants from the department or any nonprofit or other private organization, it does not authorize (or require) the department to provide any such grants. Accordingly, this analysis reflects the duties assigned to the department under the bill, which are administrative in nature.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1096 and SB 427 of 2024 and HB 953 and SB 618 of 2023.

Designated Cross File: SB 83 (Senator Hettleman) - Finance.

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

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