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HOUSE BILL 1043 Local Health Services - Funding and Infrastructure (Rosenberg)

STATEMENT OF INFORMATION

DATE: March 16, 2021

COMMITTEE: House Appropriations

SUMMARY OF BILL: HB 1043 mandates an increase in local health services funding in the amount of \$67 million in FY 2023 and subsequent year increases based on the percentage increase in General Fund revenue growth. The Maryland Department of Health (MDH) is to submit a plan to the Governor and General Assembly by December 1, 2021 to provide local health departments with uniform software necessary to fulfill the duties of the local health department that provides for interconnectivity between local health departments, MDH, and other State agencies.

EXPLANATION: The FY 2022 Budget allowance for local health departments is \$61.8 million for formula funding and an additional block grant in the amount of \$4 million. The Budget, as introduced, includes \$65.8 million in total funds for local health departments -- a 7.2% increase over FY 2021. The bill increases the FY 2023 appropriation by \$1.2 million and replaces the current annual inflationary increases based on CPI with the percentage growth in General Fund revenues. It is unclear what the policy rationale is for this change in the funding formula.

The Department of Health has spearheaded the coordination and funding of COVID-19 testing, contact tracing and vaccinations throughout the pandemic. Local jurisdictions have received significant funding amounts for these purposes during the Summer and Fall of 2020. Those jurisdictions with populations in excess of 500,000 received federal funding directly.

More specifically, the Governor announced on February 4, 2021 more than \$123.2 million in funding to support the local health departments, including resources for ongoing COVID-19 vaccination activities. A \$9 million supplemental budget request will support 21 county health departments for deficits related to closing their self-supported fee-for-service clinics and \$114 million to be awarded (on a reimburseable basis) to local health depts for vaccination activities.

Local health departments are also slated to receive an additional \$5.4 million in COVID-19 Crisis Cooperative Agreement funding (from the December 2020 congressional action). Further, the Biden stimulus package includes \$1.9 billion for Maryland local governments.

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