



DEPARTMENT OF HEALTH

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

February 23, 2022

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401- 1991

RE: SB 637 – Health and Health Insurance - Behavioral Health Services - Expansion (Behavioral Health System Modernization Act) – Letter of Information

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information on Senate Bill (SB) 637 – Health and Health Insurance – Behavioral Health Services – Expansion (Behavioral Health System Modernization Act).

MDH estimates implementing the bill’s requirements will result in a fiscal impact of \$3.9 billion total funds (\$1.8 billion federal funds, \$2.14 billion general funds) from FY 2023 through FY 2027. This estimate includes both the cost of new services and mandatory budget allocations. To the extent that these interventions result in savings due to reductions in emergency room utilization, hospitalizations, and readmissions, some costs may be offset over time.

MDH is currently in the planning stages for two key coverage expansions—Mobile Crisis Services and Certified Peer Recovery Specialist (CPRS) services for substance use disorder (SUD). The Governor’s budget included a \$4.8 million total fund (\$2.4 million federal fund, \$2.4 million general fund) allocation to support delivery of mobile crisis services by 12 providers with an annual operating cost of \$400,000.

Additionally, as part of MDH’s quarterly American Rescue Plan Act (ARPA) spending plan update, MDH requested approval to use a portion of the additional funding pulled down through the enhanced federal match for home and community based services to support coverage of CPRS services for SUD.¹ If approved, MDH will invest an estimated \$24 million total funds (\$14.4 million federal funds, \$9.6 million general funds) to support CPRS for SUD annually. All existing resources are dedicated to supporting existing programs and these new initiatives.

If you have any questions, please contact Heather Shek, Director of Governmental Affairs, at heather.shek@maryland.gov or (443) 695-4218.

Sincerely,

Dennis R. Schrader
Secretary

¹ American Rescue Plan Act of 2021, Section 9817. Spending Plans and Narrative, Quarterly Update, February 2022.

https://health.maryland.gov/mmcp/Documents/Maryland_ARPA_Quarterly%20Spending%20Plan_2.1.22.pdf