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Lieutenant Governor



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HOUSE BILL 1243 Public Health – Rural Nonemergency Medical Transportation Program (Howard)

STATEMENT OF INFORMATION

DATE: March 7, 2022

COMMITTEE: House Health & Government Operations

SUMMARY OF BILL: HB 1243 establishes the Rural Nonemergency Medical Transportation Program to allow hospitals to coordinate a transportation program provided by a nonprofit organization to or from medical services for individuals in 18 rural counties who are otherwise not eligible for transportation services; and mandates an annual appropriation in the amount of \$1 million to pay the nonprofit organization for the medical transportation services provided.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy, but on the \$1 million mandated appropriation provision, which impacts the FY 2024 budget and subsequent budgets..

DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which will require spending allocations for FY 2024 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2022.

Changes to the Maryland Constitution in 2020 provide the General Assembly with additional budgetary authority, beginning in the 2023 Session, to realign total spending by increasing and adding items to appropriations in the budget submitted by the Governor. The legislature's new budgetary power diminishes, if not negates, the need for mandated appropriation bills.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist, thereby impacting the Maryland economy. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability. The Department continues to urge the General Assembly to focus on maintaining the structural budget surplus.

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