



**DEPARTMENT OF LEGISLATIVE SERVICES**  
**OFFICE OF POLICY ANALYSIS**  
**MARYLAND GENERAL ASSEMBLY**

**Victoria L. Gruber**  
Executive Director

**Ryan Bishop**  
Director

March 15, 2023

The Honorable Heather Bagnall  
160 Lowe House Office Building  
Annapolis, Maryland 21401

Dear Delegate Bagnall:

You have requested an analysis of the fiscal effect of House Bill 290 of 2023 in light of proposed amendments #263822/1. As introduced, House Bill 290 requires:

- parents or guardians of children in child care or public school to submit evidence of dental screenings before specified ages;
- the Maryland Dent-Care Program to include dental hygienists and provide specified higher education loan assistance grant amounts;
- Medicaid coverage of dental services to be provided regardless of an individual's citizenship or immigration status;
- Medicaid reimbursement for services provided by a community health worker (CHW) if those services are covered by Medicaid and assist the recipient in accessing dental services;
- the Maryland Department of Health (MDH) to provide a 4% rate increase for Medicaid dental services in fiscal 2024 and annually evaluate Medicaid dental reimbursement rates;
- MDH to create and distribute specified "plain language" materials on dental services;
- the State Board of Dental Examiners to publish a searchable list of mobile/portable dental service providers and collect information on mobile/portable dentistry from new and renewing license applicants;
- MDH to convene a stakeholder workgroup to study the establishment of a specified grant or loan program for dental providers; and
- MDH to conduct a study on dental provider participation in the Maryland Healthy Smiles Dental Program.

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*Fiscal Estimate of Bill as Introduced*

The fiscal and policy note for House Bill 290, as introduced, estimates that MDH general fund expenditures increase by at least \$3.9 million in fiscal 2024 and \$7.5 million in out-years primarily to provide Medicaid dental coverage regardless of citizenship or immigration status. (A portion of this funding is for the required plain language materials – \$75,000 in fiscal 2024 only – and the study on provider participation – \$100,000 in fiscal 2024 and \$20,000 in fiscal 2025.) Medicaid general/federal fund expenditures and federal fund revenues increase by an indeterminate but significant amount for other requirements. To the extent Medicaid-eligible children receive additional dental screenings under the bill, Medicaid expenditures increase by a potentially significant amount beginning in fiscal 2024.

General fund expenditures also increase for Maryland Dent-Care, specifically by \$11,439 in fiscal 2024 for one-time contractual costs to update the Maryland College Aid Processing system. Additional general fund expenditures are likely necessary in fiscal 2024 even though expanding eligibility and increasing minimum awards for dentists does not *necessarily* require additional spending. However, unless additional funding is provided, fewer awards may be made and the requirement for dentists to receive awards for three years may not be met. For every dentist already in the program who has not yet received three years of funding, expenditures of \$50,000 a year are required.

*Summary of Proposed Amendments*

The proposed amendments remove the bill's requirements that (1) Medicaid dental services be provided to individuals regardless of citizenship or immigration status; (2) Medicaid reimburse CHWs for specified services; (3) Medicaid provide a 4% rate increase for dental services in fiscal 2024; and (4) parents or guardians of children in child care or public school provide evidence that the child has received dental screenings before specified ages. Instead, the amendments require the Maryland Public School System and each child care center or family child care home to provide notice of the clinical need for a child to receive dental screenings at specified intervals as well as notice six months before specified birthdays. The amendments also require MDH to (1) conduct a study on providing Medicaid reimbursement for services provided by a CHW if those services are covered by Medicaid and assist the recipient in accessing dental services and (2) report to the Senate Finance Committee and the House Health and Government Operations Committee by December 1, 2024.

*Fiscal Impact of Proposed Amendments*

*Screening Notice*

Removing the requirement that parents or guardians provide specified evidence of a dental screening and instead requiring that public schools and child care centers and family child care

homes provide notice of the clinical need for a child to receive dental screenings at specified intervals likely reduces, but does not eliminate, the potential increase in Medicaid expenditures resulting from additional Medicaid-eligible children receiving screenings and follow-up care as needed. Medicaid advises that approximately 95,473 children do not currently receive dental screenings. To the extent the bill as proposed to be amended induces parents to take those children to dental screenings, Medicaid expenditures increase beginning in fiscal 2024 (52.8% federal funds, 47.2% general funds) by \$43.76 per additional screening for children younger than age 3 and \$56.35 per additional screening for all other children. To the extent dental screenings result in additional services covered by Medicaid beyond screenings, the fiscal impact to Medicaid increases. However, to the extent dental screenings forestall the need for other dental procedures, the fiscal impact to Medicaid is offset. *For illustrative purposes only*, if the bill as proposed to be amended increases utilization of dental screenings for Medicaid-eligible children at ages 1, 3, 5, 8, and 11 by 10% (an additional 19,778 children), Medicaid expenditures increase by \$1.0 million in fiscal 2024 (52.8% federal funds, 47.2% general funds).

This analysis assumes that, although the bill as proposed to be amended specifies that “the Maryland Public School System” must provide notice to parents or guardians at specified intervals, each local education agency will ultimately be responsible for providing such notice. Local school systems can generally provide that notice using existing resources. However, as Baltimore City Public Schools advises, providing notice six months before specified birthdays – presumably appropriately targeted to each child in the school system – likely necessitates additional expenditures.

Under the proposed amendments, to the extent some local health departments provide additional dental services to students because of notice requirements, local expenditures and revenues (from Medicaid reimbursement) still increase, though by a lesser amount due to the shift from a screening requirement to a notice provision and removal of the expansion of Medicaid coverage to individuals regardless of citizenship or immigration status.

Small business dental practices still likely serve additional individuals and receive additional Medicaid reimbursement under the proposed amendments, though the effect is similarly reduced. Small business child care providers must provide notice at specified intervals as well as six months before specified birthdays.

#### *Dental Services for Undocumented Individuals*

Removal of the requirement to provide Medicaid dental services to individuals regardless of citizenship or immigration status eliminates the estimated increase in Medicaid general fund expenditures of \$3.5 million in fiscal 2024 and \$7.1 million in out-years. It also eliminates the additional potentially significant Medicaid staffing expenditures (50% general funds, 50% federal funds) to ensure federal matching funds are appropriately calculated and applied.

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*Community Health Worker Reimbursement*

Removal of the requirement to provide Medicaid reimbursement to CHWs eliminates the indeterminate but potentially significant additional Medicaid expenditures estimated in the first reader fiscal and policy note for House Bill 290. This includes elimination of the cost to enroll CHWs as Medicaid providers and the cost to provide reimbursement for services.

*Dental Provider Rate Increase*

MDH advises that, based on an additional \$20.0 million allocated in the fiscal 2024 budget as introduced, MDH plans to increase dental provider rates by 5.75% over fiscal 2023. Therefore, the first reader fiscal and policy note for House Bill 290 does not score any impact of the required dental provider rate increase except as it relates to the expansion of services to undocumented individuals. Removal of the rate increase under the proposed amendments, therefore, has no effect on the fiscal impact of the bill.

*Community Health Worker Study*

MDH can conduct the study of CHW reimbursement required by the proposed amendments with existing resources.

I hope this information is responsive to your request. In summary, most of the fiscal impact that is quantified in the first reader fiscal and policy note for House Bill 290 is eliminated by the proposed amendments. Within MDH, general fund expenditures for plain language materials and the study on provider participation are unaffected; in addition, Medicaid expenditures still increase by an indeterminate (but likely lesser) amount for dental screenings and related procedures. General fund expenditures for Maryland Dent-Care within the Maryland Higher Education Commission are unaffected by the proposed amendments. Please let me know if I can be of further assistance.

Sincerely,



Michael E. Sousane  
Policy Analyst

LMC/MES/msh

cc: Ms. Victoria L. Gruber  
Mr. Ryan Bishop