

HB 927, General Assembly - Fiscal Notes - Impact of Reduction in Health and Community Support Services

Rules and Executive Nominations Committee

Date: March 3, 2025

From: Evelyn Burton, Maryland Advocacy Chair of S&PAA

Position: SUPPORT WITH AMENDMENTS

The Schizophrenia and Psychosis Action Alliance strongly supports HB927 with suggested amendments. For too long, the fiscal notes have failed to provide you, our legislators, with the complete and accurate information you deserve in order to make important decisions that affect the lives of your constituents. Cost and saving estimates routinely look narrowly at the costs of a proposed program without considering the fiscal effects on the department level or other state departments or the direct or indirect overall costs and savings of the local government and their constituents.

For example, the fiscal note on the bill to establish an Assisted Outpatient Treatment (AOT) Program for those with serious mental illness, analyzed only the possible cost of the implementing an AOT program. There was no analysis of expected overall cost savings from reduced community hospitalization and incarceration as was reported in the many studies from other states, which I gave to them. There was no analysis of potential local savings from reduced jail and police costs or consideration of reduced emergency room wait times or reduced costs to families. The only mention of savings was a general statement that "California, Florida, New York, and North Carolina have reported reductions in state expenditures (including for state hospital admissions) following the implementation of AOT programs.... Thus, AOT may result in fewer State hospital admissions. However,...it is likely that State hospital resources are redirected to other patients." Then because they only look at AOT program costs, they make the totally misleading statement that "Medicaid expenditures...increase...to the extent that Medicaid recipients receive additional outpatient treatment services through AOT programs under the bill. They ignore the much greater reduced Medicaid costs reported by other states from reduced payments for community hospitalizations.

HB 927 addresses analysis of the unintended consequences of reducing funding in one area which may result in increased costs in another area. For example, reducing funds for community mental health clinics may result in increased Medicaid costs for psychiatric hospitalization and increased police, jail and prison costs.

We offer the following amendments to ensure that fiscal notes provide complete and accurate information for all types of bills.

2-1505

(e) (1) A fiscal note for a bill shall contain an estimate of the fiscal impact of the bill on the revenues and expenditures of the State government and of local governments.

(a) A FISCAL NOTE SHALL CONSIDER THE EFFECT OF THE BILL ON THE TOTAL REVENUES AND EXPENDITURES OF THE DEPARTMENT DIRECTLY

AFFECTED BY THE BILL AS WELL AS OTHER STATE DEPARTMENTS, AND ALL DEPARTMENTS OF LOCAL GOVERNMENT AND THE JUDICIARY.

(b) A FISCAL NOTE SHALL INCLUDE AN ANALYSIS OF THE EXPECTED FISCAL IMPACT TAKING INTO CONSIDERATION SIMILAR PROGRAMS IN OTHER STATES.

(c) A FISCAL NOTE SHALL INCLUDE AN ASSESSMENT OF THE FINANCIAL IMPACT AS WELL AS THE HEALTH AND WELL BEING OF INDIVIDUALS AND FAMILIES.

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