

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1160 (Delegate Lierman)
 Health and Government Operations

Public Health - Breathe Easy Pilot Program

This bill requires the Director of the Asthma Control Program, in cooperation with the Baltimore City Health Department (BCHD) and in consultation with the Green and Healthy Homes Initiative, to establish the Breathe Easy Pilot Program to provide and study the effects of asthma remediation services on eligible households. By December 1, 2023, the director must report to the Governor and the General Assembly, as specified. In fiscal 2021, the Governor must include an appropriation of \$500,000 in the State budget for the pilot program. **The bill takes effect July 1, 2019, and terminates June 30, 2024.**

Fiscal Summary

State Effect: General fund expenditures increase by \$96,300 in FY 2020 to hire staff and establish the pilot program. Future years reflect annualization, award of grants, additional contractual expenditures, and the mandated appropriation. Revenues are not likely affected. **The bill establishes a mandated appropriation for FY 2021.**

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	96,300	500,000	487,200	490,800	494,500
Net Effect	(\$96,300)	(\$500,000)	(\$487,200)	(\$490,800)	(\$494,500)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: BCHD revenues increase by \$300,000 annually in FY 2021 through 2024 from grants from the pilot program. BCHD expenditures increase correspondingly.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Asthma remediation services provided by the pilot program may include cleaning, education, structural interventions, and any other services the director, in consultation with the Green and Healthy Homes Initiatives, determines to be necessary. The director, in consultation with the Green and Healthy Homes Initiative, must:

- by July 1, 2020, select eligible households to participate in the pilot program;
- provide participating eligible households with asthma remediation services; and
- study the effect that the services have on the well-being of members of participating eligible households by measuring (relative to individuals who do not receive remediation services) health outcomes, economic outcomes, and educational outcomes for children.

The director may include in the pilot program specified policies and procedures, at the director's discretion. The director must attempt to access any available federal funds related to asthma remediation services for households.

By December 1, 2023, the director must submit a report to the Governor and the General Assembly that includes (1) the number of eligible households participating in the program; (2) information regarding how the program has affected the health, economic, and educational well-being of the members of the participating households; and (3) a recommendation on whether the pilot program should be extended or expanded.

Current Law/Background: Asthma is a life-threatening, chronic inflammatory disease of the airway that affects an individual's ability to breathe. Asthma can be managed but not cured.

Chapter 366 of 2002 established the Asthma Control Program within the Maryland Department of Health (MDH, then the Department of Health and Mental Hygiene). Under the program, MDH must establish a statewide asthma coalition, develop and implement a statewide asthma intervention program and an asthma surveillance system, and identify sources of grant funding. The program may fund local asthma intervention initiatives and asthma education training for school or other appropriate personnel. The Secretary of Health must submit annual reports on the Asthma Control Program's activities. However, the program lost federal funding from the U.S. Centers for Disease Control and Prevention in 2014, and MDH advises that this has resulted in the loss of support for critical elements of the program, including staff and the statewide asthma coalition.

Maryland Medicaid, in collaboration with the Environmental Health Bureau and the Department of Housing and Community Development, secured federal administrative funds to support two new initiatives, including Childhood Lead Poisoning Prevention and Environmental Case Management. This program provides environmental case management and in-home education programs with the aim of reducing the impact of lead poisoning and asthma on low-income children. According to MDH, the program will operate in Baltimore City and eight other jurisdictions with fiscal 2019 funding of \$360,000 in general funds and \$2.4 million in federal funds. MDH notes that this program is similar to the pilot program established under the bill.

The Green and Healthy Homes Initiative's mission is to break the link between unhealthy housing and unhealthy families by creating and advocating for healthy, safe, and energy efficient homes. The initiative's model is to channel funds from private and public sources to reduce lead hazards, control asthma triggers, prevent falls and injuries, improve energy efficiency, and weatherize homes.

State Expenditures: General fund expenditures increase by \$96,320 in fiscal 2020, which accounts for a 90-day start-up delay. This estimate reflects the cost of hiring two full-time contractual employees: one nurse program consultant administrator and one administrative officer to establish the Breathe Easy Pilot Program in consultation and coordination with BCHD and the Green and Healthy Homes Initiative and identify eligible households to participate in the pilot program, as well as households to serve as controls for the evaluation – which must be done so that the pilot program can be operational by July 1, 2020, as required in the bill. When the pilot program becomes operational, these employees must also issue grants to BCHD to provide remediation services and to the Green and Healthy Homes Initiative to help BCHD administer the pilot program; coordinate and oversee the health, economic, and education outcomes assessments; and prepare and submit the required report by December 31, 2023. The estimate includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- MDH begins to provide participating eligible households with asthma remediation services in fiscal 2021.
- Asthma remediation services continue to be provided through fiscal 2024, when the program terminates.
- Total costs in any given year are at or below the \$500,000 mandated appropriation (which is for fiscal 2021 only).
- Asthma remediation services are primarily funded with grants to BCHD. BCHD is generally awarded \$300,000 each year from fiscal 2021 through 2024 to provide remediation services; however, in fiscal 2021, residual funding available due to the mandated appropriation is also awarded to BCHD (another \$16,296).

- Each year of service provision, \$25,000 is needed to partner with the Green and Healthy Homes Initiative.
- Evaluation of outcomes begins in fiscal 2021 and continues until the program terminates at the end of fiscal 2024; the required report encompasses outcomes for the first three years of service provision.
- Contractual expenditures of \$50,000 annually are required in fiscal 2021 through 2024 to undertake the evaluation of health, economic, and education outcomes.

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Contractual Positions	2.0	-	-
Salaries and Fringe Benefits	\$81,852	\$102,454	\$105,938
Awards to Baltimore City Health Department	0	316,296	300,000
Awards to Green and Healthy Homes Initiative	0	25,000	25,000
Evaluation Outcomes Study	0	50,000	50,000
Other Operating Expenses	<u>14,468</u>	<u>6,250</u>	<u>6,250</u>
Total General Fund Expenditures	\$96,320	\$500,000	\$487,188

Future year expenditures also reflect full salaries with annual increases and employee turnover and ongoing operating expenses. To the extent that MDH obtains federal funds or any other grants or contributions to fund the program, general fund expenditures are reduced accordingly.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

Local Fiscal Effect: BCHD revenues increase by at least \$300,000 annually in fiscal 2021 through 2024 from grants under the pilot program (likely \$16,296 more in fiscal 2021 only). BCHD expenditures increase correspondingly to provide eligible households with asthma remediation services.

Small Business Effect: Small businesses that provide asthma remediation services, which can include cleaning, education, and structural interventions, may benefit from increased demand for their services as a result of the pilot program. The affected businesses are likely concentrated in and around Baltimore City.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Association of County Health Officers; Department of Budget and Management; Maryland Department of Health; Green and Healthy Homes Initiative; Department of Legislative Services

Fiscal Note History: First Reader - March 8, 2019
mag/jc

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