

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 104

(Chair, Finance Committee)(By Request - Departmental -
Health and Mental Hygiene)

Finance

**Health Officers and Baltimore City Commissioner of Health - Authority to Retain
Collections and Waive Charges**

This departmental bill explicitly gives county health officers and the Baltimore City Commissioner of Health the authority to retain collections received from fees and to waive charges. Each health officer and the Baltimore City Commissioner must annually report collections retained to the Secretary of Health and Mental Hygiene.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None. The bill primarily clarifies current practice and law.

Local Effect: Overall, local government finances are not materially affected. However, local health departments that are not retaining fee revenues may benefit from the express authority to do so, as the fee revenues may otherwise accrue to local jurisdictions. Local health departments can meet the reporting requirement with existing resources.

Small Business Effect: The Department of Health and Mental Hygiene (DHMH) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: County health officers and the Baltimore City Commissioner of Health may retain all collections received from fees with a few noted exceptions. Local health

officers may not retain certain license fees. Additionally, fees collected for the issuance of birth certificates must continue to be transferred to the general fund. Finally, a health officer or the Baltimore City Commissioner may not retain collections from fees if doing so would be inconsistent with established local practice.

Current Law: The Secretary of Health and Mental Hygiene requires political subdivisions and grantees to set charges for services provided that are supported wholly or partly by State or federal funds and are administered by DHMH. The Secretary of Health and Mental Hygiene has the authority to provide free services if the Secretary considers this to be in the best interest of public health. However, health officers for local health departments do not currently have the authority to waive charges.

Current law is silent as to whether a county health officer or the Baltimore City Commissioner of Health may retain collections received from fees. However, according to DHMH, several local health departments already retain collections received from fees, and this practice is reflected in some local ordinances. There is no requirement for any annual reporting, regardless of whether local health departments retain collection fees.

Background: According to DHMH, significant reductions in State funding of Core Public Health Services have recently left local health departments increasingly reliant on fee-for-service revenue collections to support operational costs. DHMH estimates that, once the 2014 provisions of the federal Patient Protection and Affordable Care Act are implemented, local health departments will be even more reliant on these fee collections. The provisions of this bill are intended to codify current fiscal practices of local health departments that retain their fee collections and to make it clear that the option to retain fees is available to those that do not.

The additional provisions of this bill give local health officers the option to waive charges owed for health services if requiring payment would be a barrier to protecting public health.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Kent, Montgomery, and Worcester counties; Department of Health and Mental Hygiene; Maryland Association of Counties; Maryland Association of County Health Officers; Department of Legislative Services

Fiscal Note History: First Reader - January 13, 2014
mc/ljm

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Health Officers and Baltimore City Commissioner of Health –
Authority to Retain Collections and Waive Fees

BILL NUMBER: SB 104

PREPARED BY: Department of Health and Mental Hygiene

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS