

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader - Revised

Senate Bill 904

Finance

(Senators Kelley and Elfreth)

Maryland Department of Health - Family Planning Program - Funding

This bill prohibits the Maryland Department of Health (MDH) from accepting any federal funding under the Title X Family Planning Program if that program (1) excludes family planning providers and (2) does not require such providers to provide a broad range of acceptable and effective medically approved family planning methods and services. If MDH does not accept Title X program funds, the Governor must fund Maryland's Family Planning Program at the same level as total funding provided in the preceding fiscal year. In fiscal 2021 and annually thereafter, the Governor must provide a minimum of \$1.0 million above the level of State funds provided in fiscal 2020 for specified family planning grants for specified purposes. **The bill takes effect June 1, 2019.**

Fiscal Summary

State Effect: No effect in FY 2019 and likely no effect in FY 2020. To the extent MDH does not accept Title X funding, federal fund revenues and expenditures decrease and general fund expenditures increase by \$4.2 million annually beginning in FY 2021, as discussed below. **This bill establishes a mandated appropriation beginning in FY 2021.**

(\$ in millions)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
FF Revenue	\$0	(\$3.2)	(-)	(-)	(-)
GF Expenditure	\$0	\$4.2	\$4.2	\$4.2	\$4.2
FF Expenditure	\$0	(\$3.2)	(-)	(-)	(-)
Net Effect	\$0.0	(\$4.2)	(\$4.2)	(\$4.2)	(\$4.2)

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

Local Effect: Local health department (LHD) revenues and expenditures increase from additional funding under the mandated appropriation.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: For fiscal 2021 and annually thereafter, the Governor must provide a minimum of \$1.0 million above the level of State funds provided in fiscal 2020 for family planning grants to support implementation of (1) Medicaid presumptive eligibility and (2) the provision of a broad range of acceptable and effective medically approved family planning methods and services.

Current Law/Background: Title X is the only federal program dedicated to the provision of family planning and related preventive health services. Projects funded by Title X grants must offer a broad range of acceptable and effective contraceptive methods and related services on a voluntary and confidential basis. Title X services include the delivery of related preventive health services, including patient education and counseling; cervical and breast cancer screening; sexually transmitted infection and human immunodeficiency virus prevention education, testing, and referral; and pregnancy diagnosis and counseling. Under federal law, Title X funds may not be used for abortion care.

Title X serves all individuals in need, with a focus on low-income, underinsured/uninsured, hard-to-reach, and/or vulnerable populations who lack access to health care and are at risk of unintended pregnancy. Currently, any public or nonprofit private entity may apply for a Title X grant.

MDH provides family planning services through the Maryland Title X Family Planning Program. This program provides free or sliding scale fee-for-service family planning services to women who are ineligible for Medicaid family planning services through LHDs, community health centers, Planned Parenthood clinics, and other providers. The Governor's proposed fiscal 2020 budget includes \$9.2 million (\$6.0 million in general funds and \$3.2 million in federal funds) for the Title X Family Planning Program.

On February 22, 2019, the U.S. Department of Health and Human Services issued the final rule to revise regulations governing the Title X Family Planning Program, which have not been updated in two decades. The [rule](#), published in the *Federal Register* on March 4, 2019, among other things, (1) requires that Title X funded activities have full physical and financial separation from abortion-related activities, which in effect blocks the availability of funding to providers that also offer abortion services and (2) eliminates current requirements that Title X sites offer a broad range of *medically approved* family planning methods and services. California immediately filed suit to block the rule. Oregon, along with 21 state Attorneys General (including Maryland), also plans to file suit to challenge the constitutionality of the rule.

State Fiscal Effect: Given pending legal action, it is unclear if and when the rule will take effect. This analysis assumes that any Title X funding provided for fiscal 2019 and likely

fiscal 2020 is unaffected by the bill. Thus, should MDH not accept Title X funding for fiscal 2021, general fund expenditures increase by a total of \$4.2 million in fiscal 2021. More specifically, federal fund revenues and expenditures decrease by \$3.2 million, while general fund expenditures increase correspondingly to fund the program at the same level as fiscal 2020; general fund expenditures increase by an additional \$1.0 million annually to meet the bill's mandated appropriation to support implementation of (1) Medicaid presumptive eligibility and (2) the provision of a broad range of acceptable and effective medically approved family planning methods and services.

To the extent MDH does not accept Title X funds earlier (fiscal 2020), additional general fund expenditures (approximately \$639,449) are required to ensure that funding provided is at the same level of total funds provided in the immediately preceding fiscal year. The fiscal 2019 working appropriation includes a total of \$9.8 million (\$6.0 million in general funds and \$3.8 million in federal funds) for the Title X Family Planning Program.

Small Business Effect: Small business family planning providers may receive additional funding under the bill's mandated appropriation.

Additional Information

Prior Introductions: None.

Cross File: HB 1272 (Delegates Pendergrass and McIntosh) - Health and Government Operations.

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

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