

Department of Legislative Services  
Maryland General Assembly  
2011 Session

FISCAL AND POLICY NOTE  
Revised

Senate Bill 416

(Senator Middleton, *et al.*)

Finance

Health and Government Operations

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**Health Officers - Authority to Enter into Contracts or Agreements for Delivery of Health Care Services**

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This bill authorizes a county health officer (subject to the written approval of the Secretary of Health and Mental Hygiene and the consent of the county's governing body) to enter into a contract or written agreement to participate in the financing, coordination, or delivery of health care services with an individual who is authorized to deliver health care services in the State.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect State finances or operations.

**Local Effect:** Local revenues increase beginning in FY 2012 to the extent that local health departments (LHDs) recoup service costs through agreements with private insurers.

**Small Business Effect:** Minimal or none.

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**Analysis**

**Current Law/Background:** The health officer for a county is the executive officer and secretary of the county board of health. The health officer must enforce State and county health laws, policies, rules, and regulations; perform any investigation or other duty directed by the Secretary of Health and Mental Hygiene or county board of health; and submit appropriate reports. The Secretary of Health and Mental Hygiene may also delegate certain other duties, powers, and functions to a health officer.

Budget constraints have resulted in cutbacks in services provided by some LHDs, which are currently unable to recoup service costs through agreements with private insurers. According to the Maryland Association of Counties, these limitations may impede the delivery of health services (to rural parts of the State, in particular). For example, Garrett County advises that its LHD currently offers to privately insured individuals certain services – such as home health care and mental health and substance abuse outpatient services – because its LHD is the only provider for those services in the county. (LHDs currently use income-based sliding scales – subsidized through block grants – to bill individuals who are uninsured or privately insured.) Garrett County further advises that its ability to continue to provide these and other services (such as family planning services) increasingly depends on its ability to bill in full for its services.

The Health Care Reform Coordinating Council – which was established by executive order in 2010 to facilitate federal health care reform in Maryland – has addressed this issue. In its final report, published in January 2011, the council recommended the removal of statutory barriers that prevent LHDs from contracting with private entities.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 709 (Delegate V. Turner, *et al.*) - Health and Government Operations.

**Information Source(s):** Maryland Association of Counties; Garrett, Howard, and Montgomery counties; Department of Health and Mental Hygiene; Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2011  
ncs/mwc Revised - Enrolled Bill - April 20, 2011

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