

PRINCE GEORGE'S COUNTY

Budget & Policy Analysis Division

October 11, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins

Council Administrator

William M. Hunt

Deputy Council Administrator

THRU: Josh Hamlin

Director of Budget and Policy Analysis

FROM: David Williams \mathcal{H}

Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement

CB-099-2023 County Employee Access to Local Health Care

CB-099-2023 (*Proposed and presented by:* Council Members Franklin, Oriadha, and Burroughs)

Assigned to the Government Operations and Fiscal Policy (GOFP) Committee

AN ACT CONCERNING COUNTY EMPLOYEE ACCESS TO LOCAL HEALTH CARE for the purpose of requiring that any health insurer contracted to offer health insurance plans to county employees include at least one health insurance plan with an inpatient hospital located within the Prince George's County coverage network.

Fiscal Summary

Direct Impact

Expenditures: Modest additional expenditures may be required.

Revenues: No revenue impact likely.

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Indirect Impact

Potentially favorable.

Legislative Summary:

CB-099-2023, proposed and sponsored by Council Members Franklin, Oriadha, and Burroughs, was presented on October 3, 2023, and referred to the Government Operations and Fiscal Policy (GOFP) Committee. This Bill would mandate any health insurer that has an active contract with the County to provide health insurance to County employees to offer at least one health insurance plan that includes a hospital that both provides inpatient hospital care and is located in Prince George's County.

Background/Current Law:

The current law relating to health and life insurance plans for County employees is codified under *Subtitle 16.* Personnel. *Division* 15. §16-212. This section requires the County Executive to establish health and life insurance plans for permanent County employees. It further provides that the plans provide for contributions by both the County and participating employees toward the cost of maintaining them, and permits the County Executive to increase the plan benefits and County contributions at their discretion but may not decrease them without prior approval from the County Council by resolution or approved budget reduction.

Resource Personnel:

• Leroy D. Maddox Jr, Legislative Officer

Discussion/Policy Analysis:

CB-099-2023

CB-099-2023 repeals and reenacts *Subtitle* 16. Personnel. *Division* 15. §16-212., adding the new mandate on County insurers that they must provide at least one health insurance plan for county employees that includes a hospital within Prince George's County that provides inpatient care within its coverage network. Keeping healthcare coverage for County employees within the

¹ Prince George's County Code – Section 16-212

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County drives revenue to County-based healthcare providers and reduces travel expenses for current and potential patients. Additionally, it is likely to be viewed as an enhanced benefit by County employees who, in the absence of such a requirement, may struggle to find inpatient care within a reasonable distance from their homes and jobs.

Fiscal Impact:

• Direct Impact

Enactment of CB-099-2023 may have a small adverse direct fiscal impact to the extent that the added requirement results in higher plan premiums. The actual fiscal impact will be determined by any additional costs levied by insurance providers for modifying current plans to include County-based inpatient hospital care options.

• Indirect Impact

Enactment of CB-099-2023 may have a positive indirect impact on the County healthcare system by driving revenue to it by virtue of having more healthcare options that allow employees to remain in the County. Additionally, County employees may enjoy savings in the form of reduced travel costs for their healthcare needs.

Appropriated in the Current Fiscal Year

N/A

Effective Date of Proposed Legislation:

The Act shall take effect forty-five days (45) after it becomes law.

If you require additional information, or have questions about this fiscal impact statement, please reach out to me via phone or email.