





June 18, 2024

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: David Noto 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-047-2024 Prince George's Cares and Health Reimbursement Act

CB-047-2024 (*Proposed by:* Council Members Blegay and Oriadha)

Assigned to the Health, Human Services and Public Safety (HHSPS) Committee.

AN ACT CONCERNING THE PRINCE GEORGE'S CARES AND HEALTH REIMBURSEMENT ACT for the purpose of establishing a county-wide health program that provides access to primary care services for all Prince George's County residents who are ineligible for existing healthcare programs.

Fiscal Summary

Direct Impact

Expenditures: This bill would commit to funding the existing County program at a minimum of its current level of \$4.25 million, with the potential for a significant increase in spending to the program, to ensure coverage of all currently uninsured County residents, requiring a commitment of anywhere between \$10 million and \$29 million.

Revenues: No anticipated revenue impact.

Indirect Impact

Likely Favorable.

Legislative Summary:

CB-047-2024, proposed by Council Members Blegay and Oriadha, was presented on May 28, 2024, and referred to the Health, Human Services and Public Safety Committee. This bill would enshrine in the County Code the Health Assures program, an initiative of the County Health Department which provides health coverage for all County residents at or below 200% of the Federal Poverty Level who are ineligible for Medicaid, MCHIP or other subsidized healthcare programs.

Background/Current Law:

Federal law:

There are six (6) main federal healthcare programs which support different populations throughout the nation: Medicare, Medicaid, the Affordable Care Act, CHIP, TRICARE, and the Federally Qualified Health Centers. Medicare and Medicaid, which President Johnson introduced as part of his “Great Society” program in the 1960s are both forms of partial universal coverage¹. Medicaid is an insurance program jointly run by the federal government and the state governments that cover low-income families and individuals, and people with disabilities², while Medicare is a program administered by the federal government that provides health insurance for Americans 65 years old and up³.

The Patient Protection and Affordable Care Act (ACA), more commonly known as Obamacare, was passed in 2010. It represents the most significant change to the American health care system since the creation of Medicare and Medicaid. The four main changes Obamacare introduced were: 1) an expansion of Medicaid⁴, 2) an American citizen could no longer be denied health coverage due to a preexisting condition⁵, 3) health insurance exchanges were developed to allow families and individuals to compare policies, buy insurance, and get subsidies for their insurance⁶, and 4) an “individual mandate” which requires everyone to get coverage or pay a fine⁷, although there is no longer any tax penalty to enforce the mandate⁸. In 2014, when the ACA expanded Medicaid eligibility, all legal US residents with income up to 133% of the Federal Poverty level could qualify for coverage under Medicaid, although the Supreme Court ruled that states could choose to

¹ [History | CMS](#)

² Ibid

³ Ibid

⁴ [The Affordable Care Act: A Brief History - WSJ](#)

⁵ Ibid

⁶ Ibid

⁷ Ibid

⁸ [What is the individual mandate? | healthinsurance.org](#)

continue at pre-ACA Medicaid eligibility levels⁹. Consequently, 10 states still have not adopted these expanded Medicaid eligibility levels¹⁰. Medicaid expansion has resulted in improved access and lower cost of care. Studies have shown that medical coverage expansion provides greater access to screening services, such as mammograms and colonoscopies¹¹.

The Children's Health Insurance Program (CHIP) which was introduced in 1997, is a program that provides matching funds to states for health insurance to families with children. The program was designed to cover uninsured children in families with incomes that are modest but too high to qualify for Medicaid¹². TRICARE is the civilian care component of the Military Health System, providing health insurance to veterans and their dependents¹³.

Finally, Federally Qualified Health Centers (FQHC), which provide low cost or free primary care and mental health counseling to the underserved are technically independent but get most of their funding from federal grants. The Bureau of Primary Health Care provides funding and staff to FQHC throughout the nation¹⁴. FQHCs typically generate 50-75% of their revenues through fees collected from insurance¹⁵. There are six (6) FQHCs in the County, with 16 different locations¹⁶.

State Law:

In 2022, Maryland's uninsured rate was 6.1%, less than the national average of 8%¹⁷. Maryland adopted the ACA's Medicaid expanded eligibility immediately upon introduction¹⁸. To be eligible for Maryland's Children Health Program (MCHP), an individual must be a legal resident of Maryland, uninsured, ineligible for Medicaid, and either be under 19 years of age, pregnant, or a primary caregiver with children under 19 years old¹⁹.

The annual household gross income limits can be found in the table on the following page²⁰:

⁹ Ibid

¹⁰ [Status of State Medicaid Expansion Decisions: Interactive Map | KFF](#)

¹¹ [The Effects Of Medicaid Expansion Under The ACA: A Systematic Review - PubMed \(nih.gov\)](#)

¹² [Program History | Medicaid](#)

¹³ [The US Military Health System: Promoting Readiness And Providing Health Care | Health Affairs](#)

¹⁴ [What is a Federally Qualified Health Center \(FQHC\)? — FQHC Associates](#)

¹⁵ [Prince George's County Council - Health, Human Services and Public Safety Committee \(legistar.com\)](#) (Regional Primary Care Coalition presentation linked in agenda)

¹⁶ [Find a Health Center \(hrs.gov\)](#)

¹⁷ [Percentage of Population Without Health Insurance Coverage by State \(census.gov\)](#)

¹⁸ [Maryland CHIP Fact Sheet - NASHP](#)

¹⁹ [Maryland Children's Health Program \(SCHIP\) | Benefits.gov](#)

²⁰ Ibid.

Household Size*	Maximum Income Level (Per Year)
1	\$37,650
2	\$51,100
3	\$64,550
4	\$78,000
5	\$91,450
6	\$104,900
7	\$118,350
8	\$131,800

*For households with more than eight people, add \$13,450 per additional person.

Relevant legislation from other local jurisdictions:

Montgomery County’s Healthcare for the Uninsured program (HU) is comprised of Montgomery Cares (MCares) program, the Maternity Partnership, Care for Kids, and Senior Dental Program²¹. MCares is the primary HU program and is a public-private partnership that provides primary care to uninsured or underinsured adults²². MCares is not written into the County Code²³. MCares was created in 2005 and was fully implemented in 2006 in 6 non-FQHC non-profit clinics. It served about 13,000 patients that first year²⁴. Program design came about through a strategic planning effort with community partners including the Primary Care Coalition of Montgomery County, local hospitals, and community-based providers. Since its inception, the program has grown into a network of 12 clinics including 3 FQHC, with over 20 sites and the capacity to serve about 30,000 unduplicated patients annually²⁵. In FY 2024, out of a total approved budget of \$17.4 million, 96.9%, or \$16.9 million, went to their operating expenses, with the remaining 3.1%, or just over half a million, going to personnel costs²⁶. Of their operating budget, 88.4%, or \$14.9 million, went to the MCares program, and a further 10.3%, or \$1.74 million, went to the Care for Kids program²⁷.

The other programs in the HU program have their own network of clinics and the Care for Kids program includes MCPS school-based health and wellness centers²⁸. MCares also provides access to medication and 2 specialty care networks that have negotiated relationships with hospitals to provide inpatient care²⁹. It also funds behavioral health and oral care separately, but these services are on a contractual basis, rather than a fee-for-service basis³⁰. Montgomery County’s Department

²¹ Tara O. Clemons, Program Manager, Health Care of the Uninsured, 01/18/2022

²² Ibid

²³ Ibid

²⁴ Ibid

²⁵ Ibid

²⁶ [Visualize Health Care for the Uninsured Program \(PC & OE\) Expenditures | Montgomery County Maryland Operating Budget \(montgomerycountymd.gov\)](#)

²⁷ [Visualize Health Care for the Uninsured Program Operating Expense Accounts Expenditures | Montgomery County Maryland Operating Budget \(montgomerycountymd.gov\)](#)

²⁸ Tara O. Clemons, Program Manager, Health Care of the Uninsured, 01/18/2022

²⁹ Ibid

³⁰ Ibid

of Health and Human Services contracts with the Primary Care Coalition of Montgomery County to administer the program³¹.

In Prince George’s County, the Health Assures Program provides health coverage for all eligible adults and children residing in the County at or below 200% of the Federal Poverty Level and are ineligible for Medicaid, MCHP, or other subsidized healthcare programs³². The Health Assures program began in FY 2018 with \$117,000 that the Health Dept. allocated from its budget, which was increased to \$250,000 in FY 2019³³. The Health Assures program was built on a partnership between the Prince George’s County Department of Health, the Prince George’s County Healthcare Alliance and six (6) Federally Qualified Health Centers with clinics in the County³⁴. In 2020, \$2.8 million was added to program when the County received COVID funding through the CARES Act³⁵. These funds paid for primary care services, on-site COVID support services and FQHC participation in the Covid Cares Program. The FQHCs provided covid testing, community education and accepted referrals of uninsured people with covid or at risk for covid who didn’t have a primary care provider. Funding was increased to \$5 million with American Rescue Plan Act (ARPA) funds in FY 2022 and was a line item in the County budget through FY 2024³⁶. In FY 2025, funding for Health Assures was set for \$4.25 million, but the program no longer has ARPA funding³⁷. Reimbursement was initially distributed to participating FQHCs as a grant based on the proportion of eligible residents served during the prior year before transitioning to a fee-for-service program³⁸. The rate is \$180 for primary medical dental and initial behavioral health visits. Behavioral health follow ups, nutrition and some other types of visits are subsidized at a lower rate³⁹. In FY 2023, Health Assures subsidized 45,111 visits, although the available funds were expended by February of 2023⁴⁰.

Discussion/Policy Analysis:

Provisions of CB-047-2024

CB-047-2024 would create a fourteenth division to County Code § 12, which would create the Prince George’s Cares and Health Reimbursement program. This addition would codify the Health Assures program as the Cares and Health Reimbursement program. It is stated that the program would provide “access to primary care services for all Prince George’s County residents who are ineligible for existing healthcare programs”.

³¹ Ibid

³² [Press-Release-Health-Assures-Program-2024.pdf \(mdcounties.org\)](#)

³³ Ibid

³⁴ Ibid

³⁵ Ibid

³⁶ Ibid

³⁷ [Press-Release-Health-Assures-Program-2024.pdf \(mdcounties.org\)](#)

³⁸ [Prince George's County Council - Health, Human Services and Public Safety Committee \(legistar.com\)](#) (Regional Primary Care Coalition presentation linked in agenda)

³⁹ Ibid

⁴⁰ Ibid

Under **Sec. 12-227. County Responsibilities**, the bill states that the source of the funding for the program shall be solely from the County. This would prevent the CARES and Health Reimbursement program from creating a public-private partnership with independent clinics such as those included in Montgomery County's HU program, thereby limiting the types of services offered to County residents in the future.

Economic Evaluation

The current Health Assures program is not as comprehensive as Montgomery County's HU program and thus can offer only limited provider choice for patients. It does not provide access to specialty care or medications. It does not subsidize primary care outside of the FQHCs, which also limits the type of care available to residents who utilize the Health Assures program, as FQHCs typically only offer primary care and mental health counseling. The FQHCs will continue to see patients even once Health Assures funding run out. However, once funds run out, patients are billed for services on a sliding scale, based on a client's income, meaning some patients may stop seeking medical care if they are charged for follow up services. Since FY 2021, the Health Assures program has also consistently run out of funds before the end of the fiscal year⁴¹. In a HHSPS meeting in April of 2023, it was estimated that fully funding the Health Assures program would require at least \$10 million annually⁴².

There are currently no comprehensive school-based health centers in the County that could provide healthcare to uninsured children, to make the Health Assures budget go further⁴³. The Health Assures program used to be administered by the Prince George's County Healthcare Alliance, but that organization is now defunct.

The current Health Assures program and the County-based FQHCs may not currently offer certain services mentioned in CB-047-2024, specifically certain types of diagnostic laboratory and radiologic services, cancer screening, and adult vision services. For example, La Clínica del Pueblo offers colorectal cancer screening, but no other types of cancer screenings are mentioned on their website⁴⁴. Likewise, the Elaine Ellis Center offers breast exams but makes no mention of other types of cancer screening⁴⁵. Neither the Elaine Ellis Center, nor La Clínica del Pueblo offer vision services. When cancer screenings are offered, the cost can vary wildly across the Greater DC area, with the cost of a colonoscopy ranging from \$127.93 to \$558.42, according to the Centers for Medicare and Medicaid Services, a government agency which tracks the cost of different medical procedures⁴⁶. MCares covers colorectal cancer screenings, mammograms, and pap smears and has routinely kept track of the numbers of eligible clients who have used these services since at least 2017⁴⁷.

⁴¹ [Prince George's County Council - Health, Human Services and Public Safety Committee \(legistar.com\)](#) (Regional Primary Care Coalition presentation linked in agenda)

⁴² Ibid

⁴³ [Pages - School Based Health Centers \(maryland.gov\)](#)

⁴⁴ [La Clínica del Pueblo \(lcdp.org\)](#)

⁴⁵ [Our Services - Elaine Ellis Center of Health \(eechealth.com\)](#)

⁴⁶ [Search the Physician Fee Schedule | CMS](#)

⁴⁷ [Health in Montgomery County \(montgomerycountymd.gov\)](#)

As of 2021, the Prince George’s County Health Zone found that 89.2% of the County’s population has health insurance⁴⁸, meaning that out of a population of 967,201⁴⁹, meaning that roughly 104,500 people in the county are without health insurance. The areas with the highest density of uninsured residents are in the north of the County, particularly along the border with Montgomery County, such as Langley Park, Hyattsville, Bladensburg, and Riverdale, where in some areas over a quarter of the population is uninsured. This may be due to a variety of factors, including immigration status or language access challenges, but 43.8% of the uninsured in the County were non-citizens, according to a 2022 study⁵⁰. This is roughly comparable to Montgomery County, which also has a highly diverse population with significant disparities exist among population subgroups and communities⁵¹.

Out of Montgomery County’s population of 1,062,061⁵², approximately 6.7%, or 71,000 individuals are uninsured⁵³. Consequently, if all the uninsured individuals in Montgomery County were to attend two (2) primary care visits at a combined cost of \$270 (\$180 for the initial visit, \$90 for the follow-up visit) it would cost the HU program \$19.2 million, which is almost exactly the FY 2025 operating expenses for the HU program, along with \$756,465 for personnel costs⁵⁴. Thus, if the Health Assures program were to be funded to an equivalent level relative to the number of uninsured individuals in the County, it will require approximately \$29 million.

A comparison of the cost of comprehensive coverage of the uninsured between Prince George’s County and Montgomery County can be found in the table below:

Jurisdiction	Total Population (2020 Census)	Uninsured Population	Uninsured as a % of total population	FY 2025 funding (in millions)	Cost of 2 primary care visits	Cost to provide primary care to all uninsured residents (w/ personnel & admin costs)
Montgomery	1,062,061	71,158	6.70%	\$19.89	\$270	\$19,962,660
Prince George's	967,201	104,458	10.80%	\$4.25	\$270	\$28,953,660

Fiscal Impact

- *Direct Impact*

At the time of this report, information from the Health Department necessary to determine the exact amount of any County expenditures necessary to fully comply with the bill’s provisions has

⁴⁸ [Prince George's County Health Department :: Indicators :: Persons with Health Insurance :: County : Prince George's \(pgchealthzone.org\)](https://www.pgchealthzone.org/indicators/persons-with-health-insurance)

⁴⁹ [U.S. Census Bureau QuickFacts: Prince George's County, Maryland](https://www.census.gov/quickfacts/prince-georges-county-maryland)

⁵⁰ [PGHealthConnect_FY22-Final-Report.pdf](#)

⁵¹ [Health in Montgomery County \(montgomerycountymd.gov\)](https://www.montgomerycountymd.gov/health)

⁵² [U.S. Census Bureau QuickFacts: Montgomery County, Maryland](https://www.census.gov/quickfacts/montgomery-county-maryland)

⁵³ [Health in Montgomery County \(montgomerycountymd.gov\)](https://www.montgomerycountymd.gov/health)

⁵⁴ [Visualize Health Care for the Uninsured Program \(PC & OE\) Expenditures | Montgomery County Maryland Operating Budget \(montgomerycountymd.gov\)](#)

not been provided to Council staff. However, as was stated above, the Health Assures program has consistently run out of funds before the end of the fiscal year. Codifying the Health Assures program as the CARES and Health Reimbursement program would conservatively require more than doubling the current Health Assures program budget. This is based on the above estimate from the April HHSPS meeting in 2023, where the Regional Primary Care Coalition estimated that fully funding the Health Assures program would require at least \$10 million annually, or double the FY 2023 funding level for the program, to ensure that low-income, uninsured residents can access medical care without needing to worry if the program's funds will run out before the end of the fiscal year. Furthermore, with the additional services outlined above, and accounting for the increasing cost of care, as well as the expansions needed to bring the program onto a par with Montgomery County's Healthcare for the Uninsured program, fully funding the CARES and Health Reimbursement program could require expanding the program's budget seven (7) times over. As stated above, approximately 6.7% of Montgomery County's population are uninsured. Montgomery County's HU program has a total approved budget of \$19.89 million in FY 2025, which very closely mirrors the cost of paying for all the uninsured individuals in Montgomery County to attend two (2) primary care visits. If the CARES and Health Reimbursement program were to be funded to an equivalent level relative to the number of uninsured individuals in the County, it would require approximately \$29 million, or about seven (7) times the current budget for the Health Assures program.

- *Indirect Impact:*

Enactment of CB-047-2024 could have a variety of favorable indirect impacts on the County, as consistent access to primary care and behavioral health care for all residents. Enactment could lead to a reduction in hospital wait times across the County and could also mean fewer EMS calls. Health insurance costs also tend to be higher in places where a significant portion of the population goes without coverage. Uninsured patients will receive emergency care out of humanitarian obligation, but these patients often cannot afford to pay for the care they have received. To compensate for these costs, hospitals are forced to charge health insurance providers more, and the health insurance companies pass those costs on to the consumers. However, it is difficult to accurately predict if these impacts will occur, or if they would occur to the extent that they would have a measurably significant impact on the fiscal futures of County residents. Perhaps the most significant indirect impact would be the improved health of County residents, which would, in turn, lead to increased productivity and profitability for residents.

Effective Date of Proposed Legislation:

The proposed Act shall take effect forty-five (45) calendar days 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.