



Howard County

Internal Memorandum

Subject: Testimony & Fiscal Impact Statement
Resolution No. 92-2014

To: Lonnie R. Robbins
Chief Administrative Officer

From: Maura J. Rossman, MD, Health Officer
Health Department

Date: July 3, 2014

The Howard County Health provides direct clinical services to more than 20,000 Howard County residents each year. Many of these services are covered by Medicaid, Medicare and third party health insurance. The Health Department has received both County funding and grant funding to support these services. Some of the grant funding the State is currently providing may be reduced over the next year or two, and local health departments are being encouraged to enhance their capacity to bill for services to avoid service reductions. An example of this is funding for substance abuse services, which will be moving from grant funding to fee-for-service funding by July 2015.

While Medicaid and Medicare billing has been possible for these services, the Health Department has not been able to bill third party health insurance carriers because the contracts required by the carriers have included indemnification language that was not acceptable to the Maryland Department of Health and Mental Hygiene, which regulates many of the services.

The Department of Health and Mental Hygiene has now entered into an agreement with one insurance carrier and is working with other carriers on similar agreements to allow local health departments to sign on to State contracts or sign contracts directly with insurance carriers to allow billing for their clinical services.

Revenues from third party health insurance would offset the costs of the services provided, allowing the Health Department greater flexibility in its program planning and operations and creating new sources of revenue to sustain services.

Section 3-306 of the Health-General Article of the Annotated Code of Maryland requires the consent of the local governing body to allow the Department of Health and Mental Hygiene and local health departments to enter into contracts with health insurance carriers.

This resolution will allow the Howard County Health Officer to enter into such contracts, which will result in increased revenues for the Health Department's clinical services, with the potential to sustain or enhance service provision.