

SENATE BILL 577

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J1

1999 Regular Session
(9r1880)

ENROLLED BILL
-- Finance/Environmental Matters --

Introduced by **Senator Kelley**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Medical Assistance Program - Federally Qualified Health Centers**

3 FOR the purpose of ~~specifying a certain time and methodology for the Department of~~
4 ~~Health and Mental Hygiene and a federally qualified health center to determine~~
5 ~~certain costs of the center requiring the Department of Health and Mental~~
6 ~~Hygiene, in consultation with the Federally Qualified Health Centers, to~~
7 ~~establish in regulation as a prospective rate the reasonable cost to a federally~~
8 ~~qualified health center in providing services to enrollees under the State~~
9 ~~Medical Assistance Program; requiring certain federally qualified health centers~~
10 ~~to provide the Department of Health and Mental Hygiene with certain data and~~
11 ~~reports to assist the Department in making a certain calculation; authorizing a~~
12 ~~certain federally qualified health center at certain times to make a request for~~
13 ~~the Department to review certain payments made to the center; establishing the~~
14 ~~effective date for certain adjustments; requiring the Department, in~~
15 ~~consultation with certain other groups, to undertake a certain study and submit~~
16 ~~a certain report to certain persons by a certain date; making certain provisions~~
17 ~~of this Act subject to a certain contingency; and generally relating to federally~~

1 qualified health centers under the State Medical Assistance Program.

2 BY repealing and reenacting, with amendments,

3 Article - Health - General

4 Section 15-103(e)

5 Annotated Code of Maryland

6 (1994 Replacement Volume and 1998 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article - Health - General

9 Section 15-103(e)(2)(i)

10 Annotated Code of Maryland

11 (1994 Replacement Volume and 1998 Supplement)

12 (As enacted by Section 1 of this Act)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Health - General**

16 15-103.

17 (e) (1) At least quarterly, the Department shall pay to a federally qualified
18 health center the difference between the payment received by the center from a
19 managed care organization for services provided to enrollees of the managed care
20 organization and, AS DETERMINED IN ACCORDANCE WITH PARAGRAPH (2) OF THIS
21 SUBSECTION, the reasonable cost to the center ~~DETERMINED IN ACCORDANCE WITH~~
22 ~~PARAGRAPH (2) OF THIS SUBSECTION~~ in providing those services.

23 (2) (I) The reasonable cost to a federally qualified health center in
24 providing services to enrollees shall be determined in accordance with §
25 1902(a)(13)(C)(i) of the Social Security Act, as amended by the Balanced Budget Act of
26 1997, and any applicable regulations.

27 ~~(H) BEFORE THE END OF EACH FISCAL YEAR, THE DEPARTMENT~~
28 ~~SHALL WORK IN CONJUNCTION WITH EACH FEDERALLY QUALIFIED HEALTH~~
29 ~~CENTER TO DETERMINE FOR THE CENTER THE REASONABLE COST OF PROVIDING~~
30 ~~SERVICES TO ENROLLEES FOR THE NEXT FISCAL YEAR.~~

31 ~~(H) THE REASONABLE COST OF PROVIDING SERVICES TO~~
32 ~~ENROLLEES SHALL BE CALCULATED ON A FEE FOR SERVICE AND CAPITATED PER~~
33 ~~MEMBER PER MONTH BASIS AND PROVIDED TO EACH FEDERALLY QUALIFIED~~
34 ~~HEALTH CENTER BEFORE THE BEGINNING OF THE FISCAL YEAR.~~

35 ~~(IV)~~ (II) EACH FEDERALLY QUALIFIED HEALTH CENTER SHALL
36 PROVIDE THE DEPARTMENT WITH ITS ENROLLMENT DATA, ENCOUNTER DATA, AND
37 COST REPORTS TO ASSIST THE DEPARTMENT IN CALCULATING;

1 (ii) Shall be responsible for making such payments directly to the
2 federally qualified health center.

3 (5) Payments under this subsection shall be reduced each year and shall
4 end in Fiscal Year 2004.

5 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
6 read as follows:

7 **Article - Health - General**

8 15-103.

9 (e) (2) (i) The reasonable cost to a federally qualified health center in
10 providing services to enrollees shall be [determined in accordance with §
11 1902(a)(13)(C)(i) of the Social Security Act, as amended by the Balanced Budget Act of
12 1997, and any applicable regulations] A PROSPECTIVE RATE THAT THE
13 DEPARTMENT, IN CONSULTATION WITH FEDERALLY QUALIFIED HEALTH CENTERS,
14 ESTABLISHES BY REGULATION.

15 SECTION 3. AND BE IT FURTHER ENACTED, That, before October, 1999, the
16 Department of Health and Mental Hygiene, in consultation with federally qualified
17 health centers, shall adopt regulations that establish as a prospective rate the
18 reasonable cost to a federally qualified health center in providing services to enrollees
19 of the State Medical Assistance Program.

20 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of
21 Health and Mental Hygiene, in consultation with the Mid-Atlantic Association of
22 Community Health Centers and the Medicaid managed care organizations, shall:

23 (a) Study alternative means for improving the viability of federally qualified
24 health centers serving clients in the HealthChoice Program; and

25 (b) On or before January 1, 2000, submit a report on its findings to the
26 Governor and, subject to § 2-1246 of the State Government Article, the Senate
27 Finance Committee and the House Environmental Matters Committee.

28 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
29 take effect July 1, 1999, contingent on the taking effect of regulations as provided
30 under Section 3 of this Act on the date that the regulations adopted under Section 3 of
31 this Act take effect. Within 5 days after final adoption of the regulations under Section
32 3 of this Act, the Department of Health and Mental Hygiene shall certify in writing to
33 the Department of Legislative Services the date on which the regulations take effect.

34 SECTION 2-6. AND BE IT FURTHER ENACTED, That That, subject to
35 Section 5 of this Act, this Act shall take effect July 1, 1999.

