

HOUSE BILL 1243

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2001 Regular Session
(11r2382)

ENROLLED BILL
-- Environmental Matters/Finance --

Introduced by **Delegate D. Davis**

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.

Speaker.

CHAPTER 314

1 AN ACT concerning

2 **Medical Assistance Program - Federally Qualified Health Centers - Cost**
3 **Based Reimbursement**

4 FOR the purpose of repealing certain provisions of law that establish a process for
5 providing certain supplemental payments to federally qualified health centers
6 participating in the State Medical Assistance Program and require certain
7 supplemental payments to federally qualified health centers to be reduced each
8 year and to terminate in a certain year; requiring the Department *of Health and*
9 *Mental Hygiene* to adopt certain regulations to ensure that federally qualified
10 health centers are paid reasonable cost based reimbursement that is consistent
11 with federal law; providing for the application of this Act; and generally relating
12 to the State Medical Assistance Program and payment of federally qualified
13 health centers.

14 BY repealing
15 Article - Health - General
16 Section 15-103(e)

1 Annotated Code of Maryland
2 (2000 Replacement Volume)

3 BY adding to
4 Article - Health - General
5 Section 15-103(e)
6 Annotated Code of Maryland
7 (2000 Replacement Volume)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
9 MARYLAND, That the Laws of Maryland read as follows:

10 **Article - Health - General**

11 15-103.

12 [(e) (1) At least quarterly, the Department shall pay to a federally qualified
13 health center the difference between the payment received by the center from a
14 managed care organization for services provided to enrollees of the managed care
15 organization and, as determined in accordance with paragraph (2) of this subsection,
16 the reasonable cost to the center in providing those services.

17 (2) (i) The reasonable cost to a federally qualified health center in
18 providing services to enrollees shall be a prospective rate that the Department, in
19 consultation with federally qualified health centers, establishes by regulation.

20 (ii) Each federally qualified health center shall provide the
21 Department with its enrollment data, encounter data, and cost reports to assist the
22 Department in calculating:

23 1. The reasonable cost of providing services to enrollees; and

24 2. The difference between the payment received by the
25 center from a managed care organization and the reasonable cost to the center in
26 providing the services.

27 (3) (i) At the request of a federally qualified health center, the
28 Department shall review the payments made to the center by a Medicaid managed
29 care organization that has a contractual arrangement with the center to determine
30 the difference between the payments made to the center and the reasonable cost to
31 the center as determined in accordance with paragraph (2) of this subsection in
32 providing services to enrollees of the managed care organization.

33 (ii) A federally qualified health center may make a request at any
34 time for the Department to review the payments made to the center by a Medicaid
35 managed care organization that has a contractual arrangement with the center.

36 (iii) The effective date for adjustments made in response to a
37 request by a federally qualified health center shall be:

