

HOUSE BILL 1059

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8lr2751
CF SB 305

By: **Delegates Hubbard, Benson, Costa, Elliott, Gaines, Guzzone, Hucker, Kipke, Kullen, Montgomery, Nathan-Pulliam, Oaks, Pena-Melnyk, Riley, Tarrant, V. Turner, ~~and Weldon~~ Weldon, Hammen, Pendergrass, Bromwell, Donoghue, Kach, McDonough, Mizeur, Morhaim, and Reznik**

Introduced and read first time: February 7, 2008
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 12, 2008

CHAPTER _____

1 AN ACT concerning

2 **Community Services Reimbursement Rate Commission – Termination Date**
3 **Extension and Modifications**

4 FOR the purpose of extending the termination date for the Community Services
5 Reimbursement Rate Commission; authorizing the Governor, with the advice
6 and consent of the Senate, to appoint a certain number of members to the
7 Commission for an additional consecutive term beginning on a certain date;
8 altering a requirement that the Commission assess changes in wages paid by
9 certain providers to require the Commission to assess the level of and changes
10 in wages paid by certain providers to direct support workers; repealing a
11 requirement that the Commission assess certain measures of quality and
12 certain other rate system issues; altering a requirement that the Commission
13 assess the impact of consumer safety costs to require the Commission to assess
14 the impact of changes in regulations that impact on the costs of certain
15 providers; ~~requiring the Commission to assess trends in housing costs and how~~
16 ~~these trends affect costs of certain providers~~; requiring the Commission to
17 develop or refine certain methodologies; ~~requiring the Commission to continue~~
18 ~~to study the transportation costs incurred by certain providers~~; ~~requiring the~~
19 ~~Commission to work with the Mental Hygiene Administration to expand the use~~
20 ~~of certain data~~ repealing a requirement that the Commission study the
21 variation in transportation costs among providers of services to individuals with
22 developmental disabilities and make a certain recommendation; repealing a
23 requirement that the Commission work with the Mental Hygiene

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Administration to expand the use of certain billing data for a certain purpose;
 2 repealing a requirement that the Commission review certain changes in the
 3 payments for and utilization of psychiatric rehabilitation services; ~~requiring the~~
 4 ~~Commission to review information on certain practices and make certain~~
 5 ~~recommendations;~~ requiring the Commission to include certain findings in a
 6 certain report; requiring the Board of Nursing to provide to the Commission at a
 7 certain time copies of any new or revised regulations that would be expected to
 8 impact on the costs incurred by certain providers; repealing a certain definition;
 9 and generally relating to the Community Services Reimbursement Rate
 10 Commission.

11 BY repealing and reenacting, with amendments,
 12 Article – Health – General
 13 Section 13–801, 13–803, 13–806, 13–809, and 13–810
 14 Annotated Code of Maryland
 15 (2005 Replacement Volume and 2007 Supplement)

16 BY repealing and reenacting, without amendments,
 17 Article – Health – General
 18 Section 13–802, 13–804, 13–805, 13–807, and 13–808
 19 Annotated Code of Maryland
 20 (2005 Replacement Volume and 2007 Supplement)

21 BY repealing and reenacting, with amendments,
 22 Chapter 593 of the Acts of the General Assembly of 1996, as amended by
 23 Chapter 566 of the Acts of the General Assembly of 1999, Chapter 370 of
 24 the Acts of the General Assembly of 2002, and Chapter 401 of the Acts of
 25 the General Assembly of 2005
 26 Section 3

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

29 **Article – Health – General**

30 13–801.

31 (a) In this subtitle the following words have the meanings indicated.

32 (b) “Commission” means the Community Services Reimbursement Rate
 33 Commission.

34 (c) [“Consumer safety costs” means the costs incurred by a provider for care
 35 that is provided to comply with any regulatory requirements in the staffing or manner
 36 of care provided, including cost factors related to health and safety that are stated in
 37 the care plan required for an individual.

1 (d) "Provider" means a community-based agency or program funded:

2 (1) By the Developmental Disabilities Administration to serve
3 individuals with developmental disabilities; or

4 (2) By the Mental Hygiene Administration to serve individuals with
5 mental disorders.

6 [(e)] (D) "Rate" means the reimbursement rate paid by the Department to a
7 provider from State general funds, Maryland Medical Assistance Program funds, other
8 State or federal funds, or a combination of those funds.

9 13-802.

10 (a) There is a Community Services Reimbursement Rate Commission.

11 (b) The Commission is an independent unit that functions in the
12 Department.

13 13-803.

14 (a) The Commission shall consist of seven members appointed by the
15 Governor with the advice and consent of the Senate.

16 (b) Of the seven members, four shall be individuals who do not have any
17 connection with the management or policy of any provider.

18 (c) Each member appointed to the Commission shall be interested in
19 ensuring high quality community-based services for individuals with developmental
20 disabilities or mental disorders.

21 (d) (1) The term of a member is 3 years.

22 (2) If a vacancy occurs during the term of a member, the Governor
23 shall appoint a successor who will serve until the term expires.

24 (3) Except as provided in paragraph (4) of this subsection, a member
25 who serves two consecutive full 3-year terms may not be reappointed for 3 years after
26 completion of those terms.

27 (4) The Governor may, with the advice and consent of the Senate,
28 appoint up to [three] **TWO** members serving on the Commission as of January 1,
29 [2005] **2008**, to serve a [fourth] **FIFTH** consecutive 3-year term beginning October 1,
30 [2005] **2008**.

31 13-804.

1 Each year, from among the members of the Commission:

2 (1) The Governor shall appoint a chairman; and

3 (2) The chairman shall appoint a vice chairman.

4 13-805.

5 (a) A quorum of the Commission is four members.

6 (b) The Commission shall meet at least four times a year at the times and
7 places that it determines.

8 (c) A member of the Commission:

9 (1) May not receive compensation for duties performed as a member of
10 the Commission; but

11 (2) Is entitled to reimbursement for expenses under the Standard
12 State Travel Regulations, as provided in the State budget.

13 (d) The Commission may employ staff and expend funds to carry out its
14 duties and responsibilities under this subtitle in accordance with the State budget.

15 13-806.

16 (a) The Commission shall assess:

17 (1) The extent and amount of uncompensated care delivered by
18 providers;

19 (2) The [relationship of] **LEVEL OF AND** changes in wages paid by
20 providers to [changes in rates paid by the Department] **DIRECT SUPPORT WORKERS**,
21 including the source of revenue for wages paid by providers;

22 (3) The ability of providers to operate on a solvent basis in the delivery
23 of effective and efficient services that are in the public interest;

24 (4) The incentives and disincentives:

25 (i) Incorporated in the rate setting methodologies utilized and
26 proposed by the Mental Hygiene Administration and the Developmental Disabilities
27 Administration; and

28 (ii) In alternative methodologies;

1 (5) ~~Measures of quality and how~~ **HOW** incentives to provide quality
2 care can be built into a rate setting methodology; **AND**

3 (6) The impact of [consumer safety] **CHANGES IN REGULATIONS**
4 **THAT IMPACT ON THE** costs **OF PROVIDERS** and whether the rates have been
5 adjusted to provide for [consumer safety costs] **ANY INCREASED COSTS ASSOCIATED**
6 **WITH THE REGULATORY CHANGES; ~~and~~**

7 ~~(7) **THE TRENDS IN HOUSING COSTS, AND HOW THESE TRENDS**~~
8 ~~**ARE AFFECTING THE COSTS OF PROVIDERS OF RESIDENTIAL SERVICES; AND**~~

9 ~~(8) Other rate system issues determined by the Commission to be~~
10 ~~appropriate.~~

11 (b) The Commission shall:

12 (1) Develop **OR REFINE** methodologies for calculating rate update
13 factors for rates paid by the Developmental Disabilities Administration and the
14 Mental Hygiene Administration and recommend annual rate update factors that use
15 the methodologies that are developed;

16 (2) With respect to the Developmental Disabilities Administration:

17 (i) ~~Review,~~ **REVIEW** the data reported in the Developmental
18 Disabilities Administration annual cost reports and use the data to develop relative
19 performance measures of providers; and

20 (ii) ~~[Study]~~ ~~**CONTINUE TO STUDY**~~ the ~~[variation in]~~
21 ~~transportation costs [among]~~ ~~**INCURRED BY**~~ providers of services to individuals with
22 ~~developmental disabilities, and recommend whether the rates should include an~~
23 ~~adjustment for such costs;~~

24 (3) ~~With respect to the Mental Hygiene Administration:~~

25 (i) ~~Work with the Mental Hygiene Administration to expand~~
26 ~~the use of [any] **SERVICE AUTHORIZATION AND** billing data collected by a third~~
27 ~~party administrator for the public mental health system in order to evaluate~~
28 ~~performance; and~~

29 (ii) ~~1. Review [the changes in the payments for and~~
30 ~~utilization of psychiatric rehabilitation services associated with the shift to paying for~~
31 ~~these services by means of case rates]~~ ~~**INFORMATION ON EVIDENCE-BASED AND**~~
32 ~~**BEST PRACTICES FOR MENTAL HEALTH SERVICES;**~~

33 ~~2. **RECOMMEND HOW INCENTIVES TO ENCOURAGE**~~
34 ~~**THESE PRACTICES COULD BE PROVIDED THROUGH THE RATE SYSTEM; AND**~~

1 On or before October 1 of each year, the Commission shall issue a report to the
2 Governor, the Secretary, and, subject to § 2–1246 of the State Government Article, the
3 General Assembly that:

4 (1) Describes its findings regarding:

5 (i) The [relationship of] changes in wages paid by providers to
6 [changes in rates paid by the Department] **DIRECT CARE WORKERS;**

7 (ii) The financial condition of providers and the ability of
8 providers to operate on a solvent basis in the delivery of effective and efficient services
9 that are in the public interest;

10 (iii) The incentives and disincentives incorporated in the rate
11 setting methodologies utilized and proposed by the Mental Hygiene Administration
12 and the Developmental Disabilities Administration and how the methodologies might
13 be improved;

14 (iv) How incentives to provide quality of care can be built into a
15 rate setting methodology; ~~and~~

16 (v) The recommended methodologies for the calculation of rate
17 update factors and the rate update factors recommended for the next succeeding fiscal
18 year; ~~AND~~

19 ~~(VI) THE TRENDS IN HOUSING COSTS AND HOW THESE~~
20 ~~TRENDS ARE AFFECTING THE COSTS OF PROVIDERS OF RESIDENTIAL SERVICES;~~

21 (2) Recommends the need for any formal executive, judicial, or
22 legislative action;

23 (3) Describes issues in need of future study by the Commission; and

24 (4) Discusses any other matter that relates to the purposes of the
25 Commission under this subtitle.

26 13–810.

27 (a) The findings and recommendations of the Commission shall be
28 considered each year in the development of the budgets of the Department, the
29 Developmental Disabilities Administration, and the Mental Hygiene Administration.

30 (b) (1) The Mental Hygiene Administration and the Developmental
31 Disabilities Administration shall respond to the recommendations of the Commission
32 in writing within 30 days after the report required in § 13–809 of this subtitle has
33 been issued.

1 (2) The written response of the Mental Hygiene Administration and
2 the Developmental Disabilities Administration shall include:

3 (i) An explanation of the actions being taken to implement the
4 recommendations of the Commission; or

5 (ii) An explanation of why no action has been taken on the
6 recommendations of the Commission.

7 (c) **(1)** The Mental Hygiene Administration and the Developmental
8 Disabilities Administration shall provide to the Commission, in advance of or at the
9 same time as they are provided to the public, copies of any new or revised regulations
10 regarding payment rates for community services.

11 **(2) THE BOARD OF NURSING SHALL PROVIDE TO THE**
12 **COMMISSION, IN ADVANCE OF OR AT THE SAME TIME AS THEY ARE PROVIDED**
13 **TO THE PUBLIC, COPIES OF ANY NEW OR REVISED REGULATIONS THAT WOULD**
14 **BE EXPECTED TO IMPACT ON THE COSTS INCURRED BY PROVIDERS OF**
15 **COMMUNITY SERVICES THAT ARE PAID FOR BY THE MENTAL HYGIENE**
16 **ADMINISTRATION OR THE DEVELOPMENTAL DISABILITIES ADMINISTRATION.**

17 **Chapter 593 of the Acts of 1996, as amended by Chapter 566 of the Acts of**
18 **1999, Chapter 370 of the Acts of 2002, and Chapter 401 of the Acts of 2005**

19 SECTION 3. AND BE IT FURTHER ENACTED, That, this Act shall take effect
20 October 1, 1996. It shall remain effective for a period of [12] **15** years and, at the end
21 of September 30, [2008] **2011**, with no further action required by the General
22 Assembly, this Act shall be abrogated and of no further force and effect.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.