

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 89

(Chair, Finance Committee)(By Request - Departmental -  
Health and Mental Hygiene)

Finance

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**Maryland Medical Assistance Program - Provision of Substance Use Services to  
Enrollees of Managed Care Organizations**

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This departmental bill repeals the requirement that managed care organizations (MCOs) provide substance abuse services and instead requires the Department of Health and Mental Hygiene (DHMH) to establish a delivery system for substance-related disorder services for MCO enrollees. DHMH must collaborate with MCOs to develop standards and guidelines for the provision of substance-related disorder services and may contract with an MCO to provide such services if the MCO meets specified standards. The delivery system for substance-related disorder services established by DHMH must comply with requirements relating to prompt payment of provider claims for services.

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**Fiscal Summary**

**State Effect:** None. The bill codifies existing practice.

**Local Effect:** None.

**Small Business Effect:** DHMH has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** Each MCO must provide or arrange for the provision of medically necessary and appropriate inpatient, intermediate care, and halfway house substance abuse treatment services for substance abusing enrollees age 21 or older who are recipients of

temporary cash assistance. Each MCO must also provide or assure alcohol and drug abuse treatment for substance abusing pregnant women and all other MCO enrollees who require these services. For dually diagnosed enrollees, each MCO must coordinate the provision of substance abuse services provided by MCOs of the enrollees.

DHMH must establish a delivery system for specialty mental health services for MCO enrollees and collaborate with MCOs to develop standards and guidelines for the provision of specialty mental health services. DHMH may contract with an MCO to provide such services if the MCO meets specified standards.

Section 15-1005 of the Insurance Article requires a carrier to permit a provider 180 days from the date a covered service is rendered to submit a claim and requires payment of properly submitted (or “clean”) claims within specified timeframes.

**Background:** Effective January 1, 2015, substance-related disorder services were carved out of the Medicaid HealthChoice benefit package provided by MCOs. Services are now provided on a fee-for-service basis through an administrative services organization (ASO) under the oversight of the Behavioral Health Administration. Specialty mental health services have been carved out since the inception of HealthChoice in 1997. Both specialty mental health and substance-related disorder services are now coordinated through the ASO, ValueOptions. According to DHMH, the substance-related disorder carve out did not alter services provided, but rather the manner in which services are coordinated and reimbursed.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - January 13, 2016  
md/ljm

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**ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**  
**Department of Health and Mental Hygiene**  
**Session 2016**

**TITLE OF PROPOSAL:**   **Maryland Medical Assistance Program – Provision of Substance Use Services to Enrollees of Managed Care Organizations**

**PREPARED BY:**    **Chris Coats**  
**(Program\Unit)**    **Health Care Financing (Medicaid) – Office of Planning**

**PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

**PART B. ECONOMIC IMPACT ANALYSIS**

Because the bill would conform Maryland statute with current practice, there is no fiscal impact.