

# SENATE BILL 39

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(PRE-FILED)

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By: Senator Lam

Requested: November 1, 2025

Introduced and read first time: January 14, 2026

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Behavioral Health – Certified Community Behavioral Health Clinics and**  
3 **Outpatient Mental Health Centers – Reimbursement Rates**

4 FOR the purpose of establishing the Workgroup on Certified Behavioral Health Clinic  
5 Implementation and Rate Methodology in the Behavioral Health Administration;  
6 requiring the Maryland Department of Health to conduct a certain rate study of  
7 outpatient mental health centers in the State; requiring the Department to convene  
8 an outpatient mental health services rate reform advisory panel to review and  
9 approve a certain rate methodology; requiring the Department to increase the  
10 Maryland Medical Assistance Program reimbursement rate for outpatient mental  
11 health centers by a certain percentage in certain fiscal years; and generally relating  
12 to certified community behavioral health clinics and outpatient mental health  
13 centers.

14 BY adding to

15 Article – Health – General  
16 Section 7.5–211 and 15–160  
17 Annotated Code of Maryland  
18 (2023 Replacement Volume and 2025 Supplement)

## Preamble

20 WHEREAS, The State has operated certified community behavioral health clinics  
21 (CCBHC) under limited federal grant funding since 2018, serving thousands of State  
22 residents with integrated mental health and substance use care; and

23 WHEREAS, The CCBHC model has demonstrated improvements in access, care  
24 coordination, health outcomes, and reductions in emergency department utilization and  
25 inpatient stays; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1        WHEREAS, The State must move from a grant–funded pilot approach to CCBHCs  
2 to a sustainable statewide model with a clear rate methodology, ensuring that behavioral  
3 health providers can continue to deliver high–quality, evidence–based, value–driven care;  
4 and

5 WHEREAS, Outpatient mental health centers (OMHC) are a cornerstone of the  
6 State's behavioral health system, providing community-based treatment for individuals  
7 with serious mental health conditions; and

8 WHEREAS, OMHCs are in financial crisis due to inadequate and outdated  
9 reimbursement rates that fail to reflect the true cost of service delivery, workforce needs,  
10 and compliance requirements; and

11 WHEREAS, The State currently lacks a formal, transparent rate-setting  
12 methodology for OMHCs and CCBHCs, leading to inconsistent and unsustainable  
13 reimbursement practices; and

14 WHEREAS, The closure of OMHCs, such as in Frederick County, demonstrates the  
15 urgent risk to access and continuity of care across the State if rate inadequacies remain  
16 unaddressed; and

17 WHEREAS, The General Assembly recognizes the importance of establishing parity  
18 between behavioral health and somatic health services, including through transparent,  
19 cost–driven rate reform; now, therefore,

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

## Article – Health – General

23 7.5-211.

24 (A) THERE IS A WORKGROUP ON CERTIFIED COMMUNITY BEHAVIORAL  
25 HEALTH CLINIC IMPLEMENTATION AND RATE METHODOLOGY IN THE  
26 ADMINISTRATION.

27 (B) THE WORKGROUP CONSISTS OF THE FOLLOWING MEMBERS:

**(4) THE FOLLOWING MEMBERS, APPOINTED BY THE SECRETARY:**

(i) ONE REPRESENTATIVE OF THE MARYLAND MEDICAID  
; N;

**(II) THREE REPRESENTATIVES OF COMMUNITY BEHAVIORAL  
ERS, INCLUDING AT LEAST ONE PROVIDER OPERATING A CERTIFIED  
AVIORAL HEALTH CLINIC THROUGH A FEDERAL GRANT;**

**(III) ONE REPRESENTATIVE OF A STATEWIDE HOSPITAL**

**(IV) ONE REPRESENTATIVE OF A SPECIALTY PSYCHIATRIC**

(v) ONE REPRESENTATIVE OF A CONSUMER OR PEER-LED  
HEALTH ADVOCACY ORGANIZATION; AND

(VI) ANY ADDITIONAL MEMBERS AS DETERMINED NECESSARY  
IN CONSULTATION WITH THE WORKGROUP.

(C) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE  
SHALL DESIGNATE ONE LEGISLATIVE MEMBER AND ONE PROVIDER  
TO SERVE AS COCHAIRS OF THE WORKGROUP.

(D) THE COMMUNITY BEHAVIORAL HEALTH ASSOCIATION OF MARYLAND, COLLABORATION WITH THE DEPARTMENT, MAY PROVIDE STAFF FOR THE KGROUP.

**(E) A MEMBER OF THE WORKGROUP:**

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE  
DUP; BUT

(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

**(F) THE WORKGROUP SHALL:**

**(1) REVIEW THE COST OF OPERATING CERTIFIED COMMUNITY  
RURAL HEALTH CLINICS IN THE STATE, INCLUDING STAFF,  
STRUCTURE, AND COMPLIANCE REQUIREMENTS;**

5 (3) ASSESS THE FINANCIAL AND CLINICAL OUTCOMES OF THE  
6 STATE'S EXISTING CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC  
7 GRANTEES, INCLUDING DATA ON UTILIZATION, QUALITY MEASURES, AND COST  
8 OFFSETS;

21 (G) ON OR BEFORE DECEMBER 1, 2027, THE WORKGROUP SHALL REPORT  
22 ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE  
23 WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

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

## Article – Health – General

27 15-160.

28 (A) THE DEPARTMENT SHALL CONDUCT A COST-DRIVEN RATE STUDY OF  
29 OUTPATIENT MENTAL HEALTH CENTERS IN THE STATE TO DETERMINE:

3 (3) A METHODOLOGY FOR ESTABLISHING SUSTAINABLE,  
4 COST-BASED REIMBURSEMENT RATES THAT ALIGN WITH ACCESS, WORKFORCE  
5 RETENTION, AND PARITY WITH SOMATIC HEALTH CARE.

6 (B) IN CONDUCTING THE STUDY REQUIRED UNDER SUBSECTION (A) OF THIS  
7 SECTION, THE DEPARTMENT SHALL:

8 (1) SOLICIT INPUT FROM OUTPATIENT MENTAL HEALTH CENTER  
9 PROVIDERS, COMMUNITY BEHAVIORAL HEALTH ASSOCIATIONS, CONSUMER  
10 ADVOCACY ORGANIZATIONS, AND OTHER RELEVANT STAKEHOLDERS;

25 (C) (1) THE DEPARTMENT SHALL CONVENE AN OUTPATIENT MENTAL  
26 HEALTH CENTERS RATE REFORM ADVISORY PANEL THAT INCLUDES:

27 (I) AT LEAST THREE REPRESENTATIVES OF OUTPATIENT  
28 MENTAL HEALTH CENTER PROVIDERS OF VARYING SIZE AND GEOGRAPHY;

31 (III) ANY OTHER STAKEHOLDERS IDENTIFIED BY THE  
32 DEPARTMENT.

4 (D) (1) FOR FISCAL YEAR 2026 AND FISCAL YEAR 2027, THE  
5 DEPARTMENT SHALL INCREASE THE RATE OF REIMBURSEMENT FOR OUTPATIENT  
6 MENTAL HEALTH CENTERS BY AT LEAST 3% BASED ON THE REIMBURSEMENT RATE  
7 IN THE IMMEDIATELY PRECEDING FISCAL YEAR.

18 (E) ON OR BEFORE JULY 1, 2027, THE DEPARTMENT SHALL ADOPT  
19 REGULATIONS ESTABLISHING A COST-BASED REIMBURSEMENT METHODOLOGY FOR  
20 OUTPATIENT MENTAL HEALTH CENTER SERVICES THAT INCORPORATES THE  
21 FINDINGS OF THE STUDY REQUIRED UNDER SUBSECTION (A) OF THIS SECTION AND  
22 THE INPUT OF THE OUTPATIENT MENTAL HEALTH CENTERS RATE REFORM  
23 ADVISORY PANEL.

24 (F) (1) ON OR BEFORE DECEMBER 1 EACH YEAR, BEGINNING IN 2026,  
25 UNTIL THE COST-BASED REIMBURSEMENT METHODOLOGY RECOMMENDED IN  
26 ACCORDANCE WITH THIS SECTION IS FULLY IMPLEMENTED, THE DEPARTMENT  
27 SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE SENATE FINANCE  
28 COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS  
29 COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT  
30 ARTICLE.

33 (I) A PROGRESS UPDATE ON THE STUDY REQUIRED UNDER  
34 SUBSECTION (A) OF THIS SECTION;

4 (III) THE ESTIMATED FISCAL IMPACT AND FUNDING NEEDS  
5 RELATED TO THE IMPLEMENTATION OF THE REIMBURSEMENT METHODOLOGY; AND

6 (IV) INTERIM OUTCOMES FOR OUTPATIENT MENTAL HEALTH  
7 SERVICES PROVIDERS RESULTING FROM THE ANNUAL RATE INCREASES REQUIRED  
8 BY THIS SECTION.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
10 1, 2026. Section 1 of this Act shall remain effective for a period of 2 years and, at the end of  
11 June 30, 2028, Section 1 of this Act, with no further action required by the General  
12 Assembly, shall be abrogated and of no further force and effect.