

SENATE BILL 39

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6lr1650

(PRE-FILED)

By: **Senator Lam**

Requested: November 1, 2025

Introduced and read first time: January 14, 2026

Assigned to: Finance

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)

19 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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

WHEREAS, OMHCs are in financial crisis due to inadequate and outdated reimbursement rates that fail to reflect the true cost of service delivery, workforce needs, and compliance requirements; and

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

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

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

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

Article – Health – General

7.5–211.

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

(B) THE WORKGROUP CONSISTS OF THE FOLLOWING MEMBERS:

(1) TWO MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE SENATE;

(2) TWO MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE;

(3) THE DEPUTY SECRETARY OF BEHAVIORAL HEALTH, OR THE DEPUTY SECRETARY'S DESIGNEE; AND

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

2 **(I) ONE REPRESENTATIVE OF THE MARYLAND MEDICAID**
3 **ADMINISTRATION;**

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

7 **(III) ONE REPRESENTATIVE OF A STATEWIDE HOSPITAL**
8 **ASSOCIATION;**

9 **(IV) ONE REPRESENTATIVE OF A SPECIALTY PSYCHIATRIC**
10 **HOSPITAL;**

11 **(V) ONE REPRESENTATIVE OF A CONSUMER OR PEER-LED**
12 **BEHAVIORAL HEALTH ADVOCACY ORGANIZATION; AND**

13 **(VI) ANY ADDITIONAL MEMBERS AS DETERMINED NECESSARY**
14 **BY THE COCHAIRS IN CONSULTATION WITH THE WORKGROUP.**

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

18 **(D) THE COMMUNITY BEHAVIORAL HEALTH ASSOCIATION OF MARYLAND,**
19 **IN COLLABORATION WITH THE DEPARTMENT, MAY PROVIDE STAFF FOR THE**
20 **WORKGROUP.**

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

22 **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**
23 **WORKGROUP; BUT**

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

26 **(F) THE WORKGROUP SHALL:**

27 **(1) REVIEW THE COST OF OPERATING CERTIFIED COMMUNITY**
28 **BEHAVIORAL HEALTH CLINICS IN THE STATE, INCLUDING STAFF,**
29 **INFRASTRUCTURE, AND COMPLIANCE REQUIREMENTS;**

(2) EVALUATE RATE METHODOLOGIES USED IN OTHER STATES FOR CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS AND RECOMMEND AN APPROPRIATE PROSPECTIVE PAYMENT SYSTEM OR ALTERNATIVE RATE METHODOLOGY FOR THE STATE;

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

(4) RECOMMEND STRATEGIES TO INTEGRATE CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS INTO THE STATE'S BEHAVIORAL HEALTH AND MARYLAND MEDICAL ASSISTANCE PROGRAM FINANCING SYSTEM, INCLUDING ALIGNMENT WITH THE ACHIEVING HEALTHCARE EFFICIENCY THROUGH ACCOUNTABLE DESIGN (AHEAD) MODEL AND OTHER FEDERAL INITIATIVES;

(5) IDENTIFY ANY REGULATORY OR STATUTORY BARRIERS TO STATEWIDE IMPLEMENTATION OF CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS, INCLUDING LICENSURE, REPORTING, AND DATA-SHARING REQUIREMENTS; AND

(6) PROPOSE A TIMELINE FOR STATEWIDE IMPLEMENTATION AND SUSTAINABILITY OF CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS.

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

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

Article – Health – General

15–160.

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

(1) THE ACTUAL COST OF PROVIDING OUTPATIENT MENTAL HEALTH CENTER SERVICES, INCLUDING PERSONNEL, OVERHEAD, AND COMPLIANCE REQUIREMENTS;

1 **(2) THE ADEQUACY OF CURRENT PROGRAM REIMBURSEMENT RATES**
2 **RELATIVE TO THE COSTS IDENTIFIED UNDER ITEM (1) OF THIS SUBSECTION; AND**

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;**

11 **(2) REVIEW RATE METHODOLOGIES FROM OTHER STATES AND**
12 **FEDERAL DEMONSTRATION PROGRAMS, INCLUDING CERTIFIED COMMUNITY**
13 **BEHAVIORAL HEALTH CLINICS;**

14 **(3) CONSIDER THE IMPACT OF INADEQUATE REIMBURSEMENT ON**
15 **SERVICE ACCESS, PROVIDER SOLVENCY, WORKFORCE RECRUITMENT AND**
16 **RETENTION, CONTINUITY OF CARE, AND EMERGENCY ROOM UTILIZATION AND**
17 **BOARDING;**

18 **(4) CONSIDER SOCIETAL IMPACTS, INCLUDING COSTS, OF**
19 **INADEQUATE REIMBURSEMENT ON HOMELESSNESS, CRIMINAL JUSTICE**
20 **INVOLVEMENT, AND UNEMPLOYMENT; AND**

21 **(5) DEVELOP RECOMMENDATIONS, INCLUDING LEGISLATIVE AND**
22 **BUDGETARY RECOMMENDATIONS, FOR A TRANSPARENT, COST-BASED**
23 **RATE-SETTING METHODOLOGY FOR OUTPATIENT MENTAL HEALTH CENTER**
24 **SERVICES.**

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;**

29 **(II) ONE INDEPENDENT ACTUARIAL OR HEALTH ECONOMICS**
30 **EXPERT; AND**

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

1 **(2) THE ADVISORY PANEL SHALL REVIEW AND APPROVE THE**
2 **RATE-SETTING METHODOLOGY RECOMMENDED BY THE DEPARTMENT UNDER**
3 **SUBSECTION (A)(3) OF THIS SECTION.**

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.**

8 **(2) (I) THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR**
9 **2027 AND FISCAL YEAR 2028 SHALL INCLUDE RATE ADJUSTMENTS FOR OUTPATIENT**
10 **MENTAL HEALTH CENTERS OF AT LEAST 3% BASED ON THE FUNDING PROVIDED IN**
11 **THE LEGISLATIVE APPROPRIATION FOR THE IMMEDIATELY PRECEDING FISCAL**
12 **YEAR FOR OUTPATIENT MENTAL HEALTH CENTERS.**

13 **(II) THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR**
14 **2028 AND EACH FISCAL YEAR THEREAFTER SHALL INCLUDE FUNDING FOR**
15 **OUTPATIENT HEALTH CENTERS SUFFICIENT TO IMPLEMENT THE COST-BASED**
16 **REIMBURSEMENT METHODOLOGY ADOPTED BY THE DEPARTMENT IN ACCORDANCE**
17 **WITH THIS SECTION.**

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.**

31 **(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**
32 **SUBSECTION SHALL INCLUDE:**

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

1 **(II) AN IMPLEMENTATION TIMELINE FOR THE**
2 **IMPLEMENTATION OF THE REIMBURSEMENT METHODOLOGY REQUIRED BY THIS**
3 **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.