



February 25, 2026

**House Health Committee
TESTIMONY IN SUPPORT**

HB 772 - Workgroup on Behavioral Health Rate Methodology Modernization – Establishment

Behavioral Health System Baltimore (BHSB) is a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities. Baltimore City represents nearly 35 percent of the public behavioral health system in Maryland, serving over 100,000 people with mental illness and substance use disorders (collectively referred to as “behavioral health”) annually.

BHSB strongly supports HB 772 - Workgroup on Behavioral Health Rate Methodology Modernization - Establishment. This bill would establish a workgroup to analyze the costs of providing outpatient behavioral health services and evaluate reimbursement methodologies that can adequately cover such costs.

The Maryland Department of Health (MDH) has been required to conduct a rate study for outpatient behavioral health since 2017. MDH did not move forward to implement such a study until recently. BHSB appreciates that the rate study now appears to be underway. HB 772 would strengthen and augment this process.

HB 772 would create a workgroup with defined membership that would oversee the development of the cost and rate study. This workgroup includes stakeholders across the behavioral health system and would ensure that the study fully accounts for the realities of delivering services and the opportunities different methodologies may provide. The bill also establishes the Maryland Health Care Commission (MHCC) as the lead entity driving the study instead of MDH. MHCC is independent of the rate setting process, and their involvement will strengthen community confidence in the study recommendations.

BHSB supports this effort to ensure proper investment in the public behavioral health system. A comprehensive review is needed to understand provider costs and the upward pressures of competing with hospitals and health systems who receive annual rate increases. Competing with Baltimore hospitals for behavioral health talent is challenging so studying the dynamics of the market would help ensure rates are sufficient to attract talent, increase access, and ensure high quality.

We thank the Department for starting the rate study process and believe HB 772 will only strengthen that process. **BHSB urges the House Health Committee to support HB 772.**

For more information, please contact BHSB Policy Director Dan Rabbitt at 443-401-6142