
By: Senators Cade and Hoffman

Introduced and read first time: February 2, 1996

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Community Services Reimbursement Rate Commission**

3 FOR the purpose of establishing a Community Services Reimbursement Rate
4 Commission; specifying the membership, term, and duties of the Commission;
5 specifying the authority of the Secretary of Health and Mental Hygiene in regard to
6 the Commission; requiring the Commission to make certain assessments related to
7 certain reimbursement rates employed by the Department of Health and Mental
8 Hygiene, the Developmental Disabilities Administration, and the Mental Hygiene
9 Administration; requiring the Commission to submit a certain report to certain
10 persons; providing for the termination of this Act; defining certain terms; and
11 generally relating to the Community Services Reimbursement Rate Commission.

12 BY adding to

13 Article - Health - General
14 Section 13-801 through 13-810 to be under the new subtitle "Subtitle 8. Community
15 Services Reimbursement Rate Commission"
16 Annotated Code of Maryland
17 (1994 Replacement Volume and 1995 Supplement)

18 Preamble

19 WHEREAS, The State of Maryland has a responsibility to ensure that
20 community-based services for individuals with developmental disabilities and psychiatric
21 disabilities are of high quality and comply with all regulations; and

22 WHEREAS, The General Assembly is concerned that reimbursement rates for
23 community-based service providers funded by the Department of Health and Mental
24 Hygiene to serve individuals with developmental disabilities and psychiatric disabilities
25 may not be adequate to retain high quality direct care workers; and

26 WHEREAS, The reimbursement rates for community-based services paid with
27 Maryland Medical Assistance Program funds and by the Developmental Disabilities
28 Administration and the Mental Hygiene Administration may no longer be sufficient to
29 pay competitive salaries to staff; and

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1 WHEREAS, The State budget has not provided a cost-of-living adjustment for
2 community programs funded by the Developmental Disabilities Administration since FY
3 1989 and by the Mental Hygiene Administration since FY 1991; and

4 WHEREAS, The adequacy of reimbursement rates for these community-based
5 service providers has been an ongoing and unresolved issue for many years and there
6 remains the need to address the issue in a comprehensive, equitable, and objective
7 manner; now, therefore,

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

10 **Article - Health - General**

11 **SUBTITLE 8. COMMUNITY SERVICES REIMBURSEMENT RATE COMMISSION.**

12 13-801.

13 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
14 INDICATED.

15 (B) "COMMISSION" MEANS THE COMMUNITY SERVICES REIMBURSEMENT
16 RATE COMMISSION.

17 (C) "PROVIDER" MEANS A COMMUNITY-BASED AGENCY OR PROGRAM
18 FUNDED:

19 (1) BY THE DEVELOPMENTAL DISABILITIES ADMINISTRATION TO
20 SERVE INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES; OR

21 (2) BY THE MENTAL HYGIENE ADMINISTRATION TO SERVE
22 INDIVIDUALS WITH MENTAL DISORDERS.

23 (D) "RATE" MEANS THE REIMBURSEMENT RATE PAID BY THE DEPARTMENT
24 TO A PROVIDER FROM STATE GENERAL FUNDS, MARYLAND MEDICAL ASSISTANCE
25 PROGRAM FUNDS, OTHER STATE OR FEDERAL FUNDS, OR A COMBINATION OF
26 THOSE FUNDS.

27 13-802.

28 (A) THERE IS A COMMUNITY SERVICES REIMBURSEMENT RATE COMMISSION.

29 (B) THE COMMISSION IS AN INDEPENDENT UNIT THAT FUNCTIONS IN THE
30 DEPARTMENT.

31 13-803.

32 (A) THE COMMISSION SHALL CONSIST OF SEVEN MEMBERS APPOINTED BY
33 THE GOVERNOR.

34 (B) OF THE SEVEN MEMBERS, FOUR SHALL BE INDIVIDUALS WHO DO NOT
35 HAVE ANY CONNECTION WITH THE MANAGEMENT OR POLICY OF ANY PROVIDER.

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1 (C) EACH MEMBER APPOINTED TO THE COMMISSION SHALL BE INTERESTED
2 IN ENSURING HIGH QUALITY COMMUNITY-BASED SERVICES FOR INDIVIDUALS
3 WITH DEVELOPMENTAL DISABILITIES OR MENTAL DISORDERS.

4 (D) (1) THE TERM OF A MEMBER IS 3 YEARS.

5 (2) IF A VACANCY OCCURS DURING THE TERM OF A MEMBER, THE
6 GOVERNOR SHALL APPOINT A SUCCESSOR WHO WILL SERVE UNTIL THE TERM
7 EXPIRES.

8 13-804.

9 EACH YEAR, FROM AMONG THE MEMBERS OF THE COMMISSION:

10 (1) THE GOVERNOR SHALL APPOINT A CHAIRMAN; AND

11 (2) THE CHAIRMAN SHALL APPOINT A VICE CHAIRMAN.

12 13-805.

13 (A) A QUORUM OF THE COMMISSION IS FOUR MEMBERS.

14 (B) THE COMMISSION SHALL MEET AT LEAST TWICE A YEAR AT THE TIMES
15 AND PLACES THAT IT DETERMINES.

16 (C) A MEMBER OF THE COMMISSION:

17 (1) MAY NOT RECEIVE COMPENSATION FOR DUTIES PERFORMED AS A
18 MEMBER OF THE COMMISSION; BUT

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

21 (D) (1) FOR FISCAL YEAR 1997, THE COMMISSION SHALL BE STAFFED
22 JOINTLY BY STAFF FROM THE EXECUTIVE AND LEGISLATIVE BRANCHES.

23 (2) FOR FISCAL YEAR 1998, AND EACH FISCAL YEAR THEREAFTER, THE
24 COMMISSION MAY EMPLOY STAFF AND EXPEND FUNDS TO CARRY OUT ITS DUTIES
25 AND RESPONSIBILITIES UNDER THIS SUBTITLE IN ACCORDANCE WITH THE STATE
26 BUDGET.

27 13-806.

28 THE COMMISSION SHALL ASSESS:

29 (1) THE ADEQUACY OF REIMBURSEMENT RATES TO PROVIDERS
30 TAKING INTO ACCOUNT:

31 (I) THE NEEDS OF SERVICE RECIPIENTS;

32 (II) THE EXISTING AND DESIRED LEVELS OF SERVICE QUALITY;

33 (III) STATE AND FEDERAL REGULATORY REQUIREMENTS;

34 (IV) THE EXISTING AND DESIRED LEVELS OF STAFF TURNOVER;

35 (V) THE EXISTING AND DESIRED STAFF QUALIFICATIONS; AND

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1 (VI) THE EXISTING AND DESIRED ABILITY OF PROVIDERS TO
2 OPERATE ON A SOLVENT BASIS IN THE DELIVERY OF EFFECTIVE AND EFFICIENT
3 SERVICES THAT ARE IN THE PUBLIC INTEREST;

4 (2) THE COMPARABILITY OF DIRECT CARE STAFF SALARIES AND
5 WAGES, INCLUDING FRINGE BENEFITS, IN PROVIDER ORGANIZATIONS RELATIVE TO
6 SIMILAR POSITIONS IN STATE AND LOCAL GOVERNMENT AND IN SIMILAR HUMAN
7 SERVICE FIELDS;

8 (3) THE EXTENT AND AMOUNT OF UNCOMPENSATED CARE DELIVERED
9 BY PROVIDERS; AND

10 (4) THE ADEQUACY, EFFICIENCY, AND EFFECTIVENESS OF THE
11 METHODS OF PAYMENTS TO PROVIDERS, INCLUDING THE REIMBURSEMENT RATE
12 STRUCTURES EMPLOYED BY THE DEPARTMENT, THE DEVELOPMENTAL DISABILITY
13 ADMINISTRATION, AND THE MENTAL HYGIENE ADMINISTRATION.

14 13-807.

15 IN ADDITION TO THE POWERS AND DUTIES PROVIDED ELSEWHERE IN THIS
16 SUBTITLE, THE COMMISSION MAY:

17 (1) ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS
18 SUBTITLE;

19 (2) CREATE COMMITTEES FROM AMONG ITS MEMBERS;

20 (3) APPOINT ADVISORY COMMITTEES THAT MAY INCLUDE
21 INDIVIDUALS AND REPRESENTATIVES OF INTERESTED PUBLIC AND PRIVATE
22 ORGANIZATIONS;

23 (4) PUBLISH AND DISTRIBUTE INFORMATION THAT RELATES TO THE
24 FINANCIAL ASPECTS OF COMMUNITY-BASED DEVELOPMENTAL DISABILITY OR
25 MENTAL HEALTH SERVICES; AND

26 (5) SUBJECT TO THE LIMITATIONS OF THIS SUBTITLE, EXERCISE ANY
27 OTHER POWER THAT IS REASONABLY NECESSARY TO CARRY OUT THE PURPOSES
28 OF THIS SUBTITLE.

29 13-808.

30 (A) THE POWER OF THE SECRETARY OVER PLANS, PROPOSALS, AND
31 PROJECTS OF UNITS IN THE DEPARTMENT DOES NOT INCLUDE THE POWER TO
32 DISAPPROVE OR MODIFY A DECISION OR DETERMINATION THAT THE COMMISSION
33 MAKES UNDER AUTHORITY SPECIFICALLY DESIGNATED TO THE COMMISSION BY
34 LAW.

35 (B) THE POWER OF THE SECRETARY TO TRANSFER BY RULE, REGULATION,
36 OR WRITTEN DIRECTIVE ANY STAFF, FUNCTION, OR FUNDS OF UNITS IN THE
37 DEPARTMENT DOES NOT APPLY TO ANY STAFF, FUNCTION, OR FUNDS OF THE
38 COMMISSION.

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1 13-809.

2 ON OR BEFORE JULY 1, 1996, AND EACH JULY 1 OF EACH YEAR THEREAFTER,
3 THE COMMISSION SHALL ISSUE A REPORT TO THE GOVERNOR, THE SECRETARY,
4 AND, SUBJECT TO § 2-1312 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL
5 ASSEMBLY THAT:

6 (1) DESCRIBES ITS FINDINGS REGARDING:

7 (I) THE ADEQUACY OF REIMBURSEMENT RATES CURRENTLY
8 PAID TO PROVIDERS TAKING INTO ACCOUNT THE NEEDS OF SERVICE RECIPIENTS,
9 SERVICE QUALITY, REGULATORY REQUIREMENTS, STAFF TURNOVER, STAFF
10 QUALIFICATIONS, AND OTHER FACTORS THAT AFFECT THE ABILITY OF PROVIDERS
11 TO DELIVER EFFECTIVE AND EFFICIENT SERVICES ON A SOLVENT BASIS;

12 (II) THE COMPARABILITY OF DIRECT CARE STAFF SALARIES AND
13 WAGES, INCLUDING FRINGE BENEFITS, IN PROVIDER ORGANIZATIONS RELATIVE TO
14 SIMILAR POSITIONS IN STATE AND LOCAL GOVERNMENT AND IN SIMILAR HUMAN
15 SERVICE FIELDS;

16 (III) THE EXTENT AND AMOUNT OF UNCOMPENSATED CARE
17 DELIVERED BY PROVIDERS AND ITS EFFECT ON THE ADEQUACY OF
18 REIMBURSEMENT RATES; AND

19 (IV) THE ADEQUACY, EFFICIENCY, AND EFFECTIVENESS OF THE
20 METHODS OF PAYMENTS TO PROVIDERS, INCLUDING THE REIMBURSEMENT RATE
21 STRUCTURES EMPLOYED BY THE DEPARTMENT, THE DEVELOPMENTAL
22 DISABILITIES ADMINISTRATION, AND THE MENTAL HYGIENE ADMINISTRATION;

23 (2) BASED ON ITS FINDINGS, RECOMMENDS ANY CHANGES IN
24 REIMBURSEMENT RATES IN ORDER TO ENABLE PROVIDERS TO DELIVER ON A
25 SOLVENT BASIS EFFECTIVE AND EFFICIENT SERVICES THAT ARE IN THE PUBLIC
26 INTEREST;

27 (3) RECOMMENDS ANY CHANGES IN THE METHODS OF PAYMENT,
28 INCLUDING THE REIMBURSEMENT RATE STRUCTURES EMPLOYED BY THE
29 DEPARTMENT, THE DEVELOPMENTAL DISABILITIES ADMINISTRATION, AND THE
30 MENTAL HYGIENE ADMINISTRATION;

31 (4) RECOMMENDS THE NEED FOR ANY FORMAL EXECUTIVE, JUDICIAL,
32 OR LEGISLATIVE ACTION;

33 (5) DESCRIBES ISSUES IN NEED OF FUTURE STUDY BY THE
34 COMMISSION; AND

35 (6) DISCUSSES ANY OTHER MATTER THAT RELATES TO THE PURPOSES
36 OF THE COMMISSION UNDER THIS SUBTITLE.

37 13-810.

38 THE FINDINGS AND RECOMMENDATIONS OF THE COMMISSION SHALL BE
39 CONSIDERED EACH YEAR IN THE DEVELOPMENT OF THE BUDGETS OF THE

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1 DEPARTMENT, THE DEVELOPMENTAL DISABILITIES ADMINISTRATION, AND THE
2 MENTAL HYGIENE ADMINISTRATION.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial
4 members of the Community Services Reimbursement Rate Commission shall expire at
5 the end of September 30, 1999. However, if Title 13, Subtitle 8 of the Health - General
6 Article remains in effect after September 30, 1999, then no more than three of the initial
7 members of the Community Services Reimbursement Rate Commission may serve a
8 second 3-year term.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 1996. It shall remain effective for a period of 3 years and,at the end of
11 September 30, 1999, with no further action required by the General Assembly, this Act
12 shall be abrogated and of no further force and effect.