
By: Senators Cade and Hoffman

Introduced and read first time: February 2, 1996

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 1996

CHAPTER ____

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

2

1 Hygiene to serve individuals with developmental disabilities and psychiatric disabilities
2 may not be adequate to retain high quality direct care workers; and

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

7 WHEREAS, The State budget has not provided a cost-of-living adjustment for
8 community programs funded by the Developmental Disabilities Administration since FY
9 1989 and by the Mental Hygiene Administration since FY 1991; and

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

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

16 **Article - Health - General**

17 SUBTITLE 8. COMMUNITY SERVICES REIMBURSEMENT RATE COMMISSION.

18 13-801.

19 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 (B) "COMMISSION" MEANS THE COMMUNITY SERVICES REIMBURSEMENT
22 RATE COMMISSION.

23 (C) "PROVIDER" MEANS A COMMUNITY-BASED AGENCY OR PROGRAM
24 FUNDED:

25 (1) BY THE DEVELOPMENTAL DISABILITIES ADMINISTRATION TO
26 SERVE INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES; OR

27 (2) BY THE MENTAL HYGIENE ADMINISTRATION TO SERVE
28 INDIVIDUALS WITH MENTAL DISORDERS.

29 (D) "RATE" MEANS THE REIMBURSEMENT RATE PAID BY THE DEPARTMENT
30 TO A PROVIDER FROM STATE GENERAL FUNDS, MARYLAND MEDICAL ASSISTANCE
31 PROGRAM FUNDS, OTHER STATE OR FEDERAL FUNDS, OR A COMBINATION OF
32 THOSE FUNDS.

33 13-802.

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

35 (B) THE COMMISSION IS AN INDEPENDENT UNIT THAT FUNCTIONS IN THE
36 DEPARTMENT.

3

1 13-803.

2 (A) THE COMMISSION SHALL CONSIST OF SEVEN MEMBERS APPOINTED BY
3 THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.

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

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

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

10 (2) IF A VACANCY OCCURS DURING THE TERM OF A MEMBER, THE
11 GOVERNOR SHALL APPOINT A SUCCESSOR WHO WILL SERVE UNTIL THE TERM
12 EXPIRES.

13 13-804.

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

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

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

17 13-805.

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

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

21 (C) A MEMBER OF THE COMMISSION:

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

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

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

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

32 13-806.

33 THE COMMISSION SHALL ASSESS:

34 (1) THE ADEQUACY OF REIMBURSEMENT RATES TO PROVIDERS
35 TAKING INTO ACCOUNT:

4

- 1 (I) THE NEEDS OF SERVICE RECIPIENTS;
- 2 (II) THE EXISTING AND DESIRED LEVELS OF SERVICE QUALITY;
- 3 (III) STATE AND FEDERAL REGULATORY REQUIREMENTS;
- 4 (IV) THE EXISTING AND DESIRED LEVELS OF STAFF TURNOVER;
- 5 (V) THE EXISTING AND DESIRED STAFF QUALIFICATIONS; AND
- 6 (VI) THE EXISTING AND DESIRED ABILITY OF PROVIDERS TO
- 7 OPERATE ON A SOLVENT BASIS IN THE DELIVERY OF EFFECTIVE AND EFFICIENT
- 8 SERVICES THAT ARE IN THE PUBLIC INTEREST;

9 (2) THE COMPARABILITY OF DIRECT CARE AND MANAGERIAL STAFF

10 SALARIES AND WAGES, INCLUDING FRINGE BENEFITS, IN PROVIDER

11 ORGANIZATIONS RELATIVE TO SIMILAR POSITIONS IN STATE AND LOCAL

12 GOVERNMENT AND IN SIMILAR HUMAN SERVICE FIELDS;

13 (3) THE EXTENT AND AMOUNT OF UNCOMPENSATED CARE DELIVERED

14 BY PROVIDERS; AND

15 (4) THE ADEQUACY, EFFICIENCY, AND EFFECTIVENESS OF THE

16 METHODS OF PAYMENTS TO PROVIDERS, INCLUDING THE REIMBURSEMENT RATE

17 STRUCTURES EMPLOYED BY THE DEPARTMENT, THE DEVELOPMENTAL DISABILITY

18 ADMINISTRATION, AND THE MENTAL HYGIENE ADMINISTRATION.

19 13-807.

20 IN ADDITION TO THE POWERS AND DUTIES PROVIDED ELSEWHERE IN THIS

21 SUBTITLE, THE COMMISSION MAY:

22 (1) ~~ADOPT~~ RECOMMEND THE ADOPTION OF REGULATIONS TO CARRY

23 OUT THE PROVISIONS OF THIS SUBTITLE;

24 (2) CREATE COMMITTEES FROM AMONG ITS MEMBERS;

25 (3) APPOINT ADVISORY COMMITTEES THAT MAY INCLUDE

26 INDIVIDUALS AND REPRESENTATIVES OF INTERESTED PUBLIC AND PRIVATE

27 ORGANIZATIONS;

28 (4) PUBLISH AND DISTRIBUTE INFORMATION THAT RELATES TO THE

29 FINANCIAL ASPECTS OF COMMUNITY-BASED DEVELOPMENTAL DISABILITY OR

30 MENTAL HEALTH SERVICES; AND

31 (5) SUBJECT TO THE LIMITATIONS OF THIS SUBTITLE, EXERCISE ANY

32 OTHER POWER THAT IS REASONABLY NECESSARY TO CARRY OUT THE PURPOSES

33 OF THIS SUBTITLE.

34 13-808.

35 (A) THE POWER OF THE SECRETARY OVER PLANS, PROPOSALS, AND

36 PROJECTS OF UNITS IN THE DEPARTMENT DOES NOT INCLUDE THE POWER TO

37 DISAPPROVE OR MODIFY A DECISION OR DETERMINATION THAT THE COMMISSION

5

1 MAKES UNDER AUTHORITY SPECIFICALLY DESIGNATED TO THE COMMISSION BY
2 LAW.

3 (B) THE POWER OF THE SECRETARY TO TRANSFER BY RULE, REGULATION,
4 OR WRITTEN DIRECTIVE ANY STAFF, FUNCTION, OR FUNDS OF UNITS IN THE
5 DEPARTMENT DOES NOT APPLY TO ANY STAFF, FUNCTION, OR FUNDS OF THE
6 COMMISSION.

7 13-809.

8 ON OR BEFORE JULY 1, ~~1996~~ 1997, AND EACH JULY 1 OF EACH YEAR
9 THEREAFTER, THE COMMISSION SHALL ISSUE A REPORT TO THE GOVERNOR, THE
10 SECRETARY, AND, SUBJECT TO § 2-1312 OF THE STATE GOVERNMENT ARTICLE, THE
11 GENERAL ASSEMBLY THAT:

12 (1) DESCRIBES ITS FINDINGS REGARDING:

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

18 (II) THE COMPARABILITY OF DIRECT CARE AND MANAGERIAL
19 STAFF SALARIES AND WAGES, INCLUDING FRINGE BENEFITS, IN PROVIDER
20 ORGANIZATIONS RELATIVE TO SIMILAR POSITIONS IN STATE AND LOCAL
21 GOVERNMENT AND IN SIMILAR HUMAN SERVICE FIELDS;

22 (III) THE EXTENT AND AMOUNT OF UNCOMPENSATED CARE
23 DELIVERED BY PROVIDERS AND ITS EFFECT ON THE ADEQUACY OF
24 REIMBURSEMENT RATES; AND

25 (IV) THE ADEQUACY, EFFICIENCY, AND EFFECTIVENESS OF THE
26 METHODS OF PAYMENTS TO PROVIDERS, INCLUDING THE REIMBURSEMENT RATE
27 STRUCTURES EMPLOYED BY THE DEPARTMENT, THE DEVELOPMENTAL
28 DISABILITIES ADMINISTRATION, AND THE MENTAL HYGIENE ADMINISTRATION;

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

33 (3) RECOMMENDS ANY CHANGES IN THE METHODS OF PAYMENT,
34 INCLUDING THE REIMBURSEMENT RATE STRUCTURES EMPLOYED BY THE
35 DEPARTMENT, THE DEVELOPMENTAL DISABILITIES ADMINISTRATION, AND THE
36 MENTAL HYGIENE ADMINISTRATION;

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

39 (5) DESCRIBES ISSUES IN NEED OF FUTURE STUDY BY THE
40 COMMISSION; AND

6

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

3 13-810.

4 THE FINDINGS AND RECOMMENDATIONS OF THE COMMISSION SHALL BE
5 CONSIDERED EACH YEAR IN THE DEVELOPMENT OF THE BUDGETS OF THE
6 DEPARTMENT, THE DEVELOPMENTAL DISABILITIES ADMINISTRATION, AND THE
7 MENTAL HYGIENE ADMINISTRATION.

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

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