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**By: Senators Hoffman, Amoss, Boozer, Currie, Hogan, Kasemeyer, Lawlah, McFadden, Middleton, Munson, Ruben, Van Hollen, Forehand, Dorman, Astle, Della, Derr, Hafer, Madden, Roesser, Teitelbaum, Trotter, Young, and Craig**

Introduced and read first time: January 31, 1997

Assigned to: Finance and Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 1997

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Developmental Disabilities Administration - Community-Based Services -**  
3 **Reimbursement Rate**

4 FOR the purpose of requiring the Governor to include certain funding in the annual  
5 State budget to be used for a certain purpose; requiring the Secretary of Health and  
6 Mental Hygiene to adopt certain regulations to make certain adjustments to the  
7 reimbursement rate for providers of community-based services for individuals with  
8 developmental disabilities; establishing certain requirements for the adjustments;  
9 establishing certain restrictions on the use of certain funds; defining certain terms;  
10 providing for a delayed effective date; and generally relating to the reimbursement  
11 rate for providers of community-based services for individuals with developmental  
12 disabilities.

13 BY adding to

14 Article - Health - General

15 Section 7-306.2

16 Annotated Code of Maryland

17 (1994 Replacement Volume and 1996 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

19 MARYLAND, That the Laws of Maryland read as follows:

2

1 **Article - Health - General**

2 7-306.2.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
4 INDICATED.

5 (2) "INDEX" MEANS THE MOST RECENT AVAILABLE FIGURE STATED IN  
6 THE PUBLICATION "POVERTY IN THE UNITED STATES", PUBLISHED BY THE U.S.  
7 BUREAU OF THE CENSUS AND UPDATED ON AN ANNUAL BASIS, WHICH DEFINES THE  
8 NATIONAL POVERTY LEVEL FOR A FAMILY OF FOUR.

9 (3) "LIVING WAGE" MEANS THE HOURLY WAGE RATE DETERMINED  
10 ANNUALLY BY THE ADMINISTRATION UNDER SUBSECTION (F) OF THIS SECTION.

11 (B) CONSISTENT WITH SUBSECTION (C) OF THIS SECTION, THE GOVERNOR  
12 SHALL INCLUDE IN THE ANNUAL STATE BUDGET SUFFICIENT FUNDING TO PROVIDE  
13 ANNUAL ADJUSTMENTS TO THE HOURLY REIMBURSEMENT RATE FOR THE DIRECT  
14 CARE COMPONENT OF THE ADMINISTRATION'S PROSPECTIVE PAYMENT SYSTEM  
15 FOR INDIVIDUAL PROVIDERS OF COMMUNITY-BASED SERVICES FOR TO  
16 INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES.

17 (C) (1) THE SECRETARY SHALL ADOPT REGULATIONS TO ANNUALLY  
18 ADJUST THE HOURLY REIMBURSEMENT RATE FOR PROVIDERS OF  
19 COMMUNITY-BASED SERVICES FOR INDIVIDUALS WITH DEVELOPMENTAL  
20 DISABILITIES.

21 (2) THE ANNUAL ADJUSTMENTS SHALL SET THE HOURLY  
22 REIMBURSEMENT RATE:

23 (I) FOR FISCAL YEAR ~~1998~~ 1999, AT \$6.60;

24 (II) FOR FISCAL YEAR ~~1999~~ 2000, AT \$7.10;

25 (III) FOR FISCAL YEAR ~~2000~~ 2001, AT \$7.70; AND

26 (IV) FOR FISCAL YEAR ~~2001~~ 2002, AND BEYOND, TO BE EQUAL TO OR  
27 GREATER THAN THE LIVING WAGE, AS DETERMINED IN SUBSECTION (F) OF THIS  
28 SECTION.

29 (3) THE ANNUAL ADJUSTMENTS ~~SHALL~~:

30 (I) SHALL BE APPLICABLE FOR THE ENTIRE FISCAL YEAR;

31 (II) SHALL BE BASED ON THE TOTAL ALLOCATION FOR  
32 COMMUNITY-BASED PROGRAMS FUNDED BY THE ADMINISTRATION; ~~AND~~

33 (III) SHALL BE APPLIED TO ALL PROVIDERS OF COMMUNITY-BASED  
34 SERVICES FUNDED BY THE ADMINISTRATION; AND

35 (IV) MAY NOT BE FUNDED BY REDUCTIONS TO OR TRANSFERS  
36 FROM OTHER COMPONENTS OF THE PROSPECTIVE PAYMENT SYSTEM OR  
37 COMMUNITY-BASED SERVICES PROGRAMS.

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1 (D) FUNDS ALLOCATED FOR ANNUAL ADJUSTMENTS TO THE  
2 REIMBURSEMENT RATE FOR INDIVIDUAL PROVIDERS OF COMMUNITY-BASED  
3 SERVICES FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES SHALL BE USED  
4 ONLY FOR THE PURPOSE OF GRANTING LIVING WAGE ADJUSTMENTS TO ~~THOSE~~  
5 ~~PROVIDERS~~ DIRECT CARE WORKERS OF RESIDENTIAL AND DAY HABILITATION  
6 PROGRAMS.

7 (E) BEGINNING WITH FISCAL YEAR ~~2004~~ 2002, THE ADMINISTRATION  
8 ANNUALLY SHALL DETERMINE THE LIVING WAGE.

9 (F) IN ANNUALLY DETERMINING THE LIVING WAGE FOR FISCAL YEARS ~~2004~~  
10 2002 AND BEYOND, THE ADMINISTRATION SHALL CALCULATE THE HOURLY WAGE  
11 NECESSARY, BASED ON A 40-HOUR WORKWEEK, TO PROVIDE DIRECT CARE  
12 WORKERS OF RESIDENTIAL AND DAY HABILITATION PROGRAMS AN ANNUAL  
13 INCOME THAT MEETS OR EXCEEDS THE INDEX.

14 (G) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE A  
15 COMMUNITY-BASED SERVICES PROVIDER TO PAY ITS ~~EMPLOYEES~~ DIRECT CARE  
16 WORKERS THE LIVING WAGE IF THE ANNUAL STATE BUDGET DOES NOT PROVIDE  
17 SUFFICIENT FUNDING TO IMPLEMENT THE ANNUAL ADJUSTMENT TO THE HOURLY  
18 REIMBURSEMENT RATE FOR THE DIRECT CARE COMPONENT OF THE  
19 ADMINISTRATION'S PROSPECTIVE PAYMENT SYSTEM FOR COMMUNITY-BASED  
20 SERVICE PROVIDERS.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, ~~1997~~ 1998.