

HOUSE BILL 68

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1999 Regular Session
(9r0139)

ENROLLED BILL

-- Appropriations/Budget and Taxation and Finance --

Introduced by **Chairman, Environmental Matters Committee (Departmental - Health and Mental Hygiene)**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Developmental Disabilities - State Plan - Private Community-Based**
3 **Services - Billing Rate Appeals**

4 FOR the purpose of ~~repealing~~ altering a certain administrative appeals process for
5 certain providers or groups of providers of certain community-based services to
6 individuals with developmental disabilities; providing that certain funds shall
7 not revert to the General Fund and shall remain available for a certain purpose;
8 requiring that a certain process start at the end of the 1999 fiscal year; and
9 generally relating to private community-based services for individuals with
10 developmental disabilities.

11 BY repealing and reenacting, with amendments,
12 Article - Health - General
13 Section 7-306.1
14 Annotated Code of Maryland
15 (1994 Replacement Volume and 1998 Supplement)

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

3 **Article - Health - General**

4 7-306.1.

5 (a) The Administration shall develop and implement a funding system for the
6 distribution of State funds to private providers that are under contract with the
7 Administration to provide community-based services to individuals with disability in
8 accordance with the State plan.

9 (B) FUNDS RECEIVED FOR SERVICES THAT ARE FEE-FOR-SERVICE OR THAT
10 HAVE RATES SET BY REGULATION SHALL BE SUBJECT TO RECOVERY BY THE
11 ADMINISTRATION ONLY FOR THE FOLLOWING PURPOSES:

12 (1) CLIENT ATTENDANCE;

13 (2) CLIENT FEES; OR

14 (3) SANCTIONS ALLOWED THROUGH REGULATIONS.

15 ~~(b)~~ ~~{(4)}~~ (C) (1) Under the funding system developed under subsection (a) of
16 this section, the Administration shall notify each private provider at least 30 days
17 before the beginning of the fiscal year of the billing rate or amount of funds to be paid
18 to the provider for the provision of community-based services to an individual with
19 developmental disability or a group of individuals with developmental disability for
20 the coming fiscal year.

21 ~~{(2)}~~ (i) A private provider may request an administrative resolution of
22 a billing rate set under paragraph (1) of this subsection EXCEPT FOR RATES SET IN
23 REGULATION.

24 (ii) Within 60 days after receipt of the provider's request, the
25 Administration shall make a decision on the request for an administrative resolution.

26 (iii) If an administrative resolution cannot be reached between the
27 provider and the Administration, the provider may request an evidentiary hearing or
28 an oral hearing in accordance with regulations of the Department.}

29 ~~(e)~~ (D) Subject to the provisions of subsections ~~(d), (e), and (f)~~ (E), (F), AND (G)
30 of this section, the Administration shall provide payment to private providers for the
31 services provided from the funds designated in subsection ~~(b)~~ (C) of this section in
32 accordance with the following payment schedule:

33 (1) On or before the third business day of the fiscal quarter beginning
34 July 1, 33% of the total annual amount to be paid to the provider;

35 (2) On or before the third business day of the fiscal quarter beginning
36 October 1, 25% of the total annual amount to be paid to the provider;

1 (3) On or before the third business day of the fiscal quarter beginning
2 January 1, 25% of the total annual amount to be paid to the provider; and

3 (4) On or before the third business day of the fiscal quarter beginning
4 April 1, 17% of the total annual amount to be paid to the provider.

5 ~~(D)~~ (E) The Administration may deviate from the payment schedule provided
6 under subsection ~~(E)~~ (D) of this section for any provider:

7 (1) That is reimbursed through the ~~prospective FEE~~ payment system and
8 fails to submit properly completed program attendance reports within 15 days of the
9 beginning of each month; or

10 (2) That provides services under the medical assistance program and
11 fails to submit the designated forms used by the medical assistance program to claim
12 federal fund participation within 30 days after the end of each month.

13 ~~(E)~~ (F) A deviation from the payment schedule as provided under subsection
14 ~~(D)~~ (E) of this section may occur only if the Administration has:

15 (1) Advised the provider that:

16 (i) An attendance report which has been submitted on time is in
17 need of correction; or

18 (ii) A designated medical assistance form which has been submitted
19 on time is in need of correction;

20 (2) Allowed the provider at least 5 working days to resubmit or correct
21 the report or form; and

22 (3) Not in any way contributed to the delay of or error on a report or
23 form.

24 ~~(D)~~ (G) The amount of a reduction of payments to a provider pursuant to
25 subsections ~~(D)~~ and ~~(E)~~ (E) AND (F) of this section may not exceed the amount of lost
26 federal revenue attributable to the delay or error.

27 ~~(G)~~ (H) The Administration:

28 (1) Shall place sufficient funds in a specially designated account with the
29 Office of the Comptroller to meet its financial obligations under subsection ~~(E)~~ (D) of
30 this section;

31 (2) Shall disburse funds from the account in accordance with the
32 payment schedule provided in subsection ~~(E)~~ (D) of this section; ~~and~~

33 (3) May not use the funds in the account for any other purpose except for
34 the purpose of reimbursing private providers for the provision of community-based
35 services to individuals with developmental disability;

1 (4) ~~WITHIN 1 YEAR AFTER RECEIPT OF THE REPORT SHALL RECONCILE~~
2 ~~A PRIVATE PROVIDER'S YEAR-END REPORT AND SHALL PROVIDE WRITTEN~~
3 ~~APPROVAL OF A YEAR-END REPORT OR A WRITTEN EXPLANATION OF THE ITEMS IN~~
4 ~~DISPUTE A PRIVATE PROVIDER'S YEAR-END REPORT, SHALL RECONCILE THE~~
5 ~~REPORT AND SHALL PROVIDE THE PROVIDER A WITH WRITTEN APPROVAL OF THE~~
6 ~~REPORT OR A WRITTEN EXPLANATION OF ANY ITEMS IN DISPUTE; AND~~

7 (5) ~~SHALL INITIATE CONDUCT AN AUDIT OF EACH PRIVATE PROVIDER~~
8 ~~EVERY 4 YEARS.~~

9 (I) ~~THE ADMINISTRATION SHALL ACCEPT AS FINAL THE PRIVATE PROVIDER'S~~
10 ~~YEAR-END REPORT IF:~~

11 (1) ~~THE ADMINISTRATION FAILS TO PROVIDE WRITTEN APPROVAL OR A~~
12 ~~WRITTEN EXPLANATION OF THE ANY ITEMS IN DISPUTE WITHIN 1 YEAR AFTER~~
13 ~~RECEIVING THE REPORT; OR~~

14 (2) ~~THE ADMINISTRATION FAILS TO RECONCILE THE YEAR-END REPORT~~
15 ~~WITHIN 1 YEAR AFTER RECEIVING THE REPORT.~~

16 (J) ~~IF THE ADMINISTRATION FAILS TO INITIATE CONDUCT AN AUDIT OF A~~
17 ~~PRIVATE PROVIDER AS REQUIRED IN SUBSECTION (H)(5) OF THIS SECTION, THE~~
18 ~~ADMINISTRATION MAY NOT AUDIT THE PRIVATE PROVIDER FOR ANY FISCAL YEAR~~
19 ~~THAT BEGAN MORE THAN 48 MONTHS BEFORE THE ADMINISTRATION'S~~
20 ~~NOTIFICATION OF AUDIT, UNLESS THE ADMINISTRATION SUSPECTS FRAUD OR~~
21 ~~MISAPPROPRIATION OF FUNDS.~~

22 (K) ~~PRIVATE PROVIDERS SHALL PROVIDE THE YEAR-END REPORT TO THE~~
23 ~~ADMINISTRATION NO LATER THAN 6 MONTHS AFTER THE END OF THE STATE FISCAL~~
24 ~~YEAR.~~

25 ~~SECTION 2. AND BE IT FURTHER ENACTED, That notwithstanding any~~
26 ~~other provision of law, for fiscal year 2000, general funds appropriated in connection~~
27 ~~with the Waiting List Initiative within the Developmental Disabilities Administration~~
28 ~~of the Department of Health and Mental Hygiene that remain unexpended at the end~~
29 ~~of the fiscal year shall not revert to the General Fund and shall remain available for~~
30 ~~expenditure on the Waiting List Initiative in the subsequent fiscal year.~~

31 ~~SECTION 3. AND BE IT FURTHER ENACTED, That the process established~~
32 ~~by this Act for the Developmental Disabilities Administration review of private~~
33 ~~provider submitted year-end reports, begin with the reports required at the end of~~
34 ~~the 1999 fiscal year.~~

35 ~~SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take~~
36 ~~effect October July 1, 1999.~~

