

SENATE BILL 448

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1999 Regular Session
9r1891
CF 9r1850

By: **Senator Kasemeyer**
Introduced and read first time: February 5, 1999
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 10, 1999

CHAPTER _____

1 AN ACT concerning

2 **Community Services Reimbursement Rate Commission**

3 FOR the purpose of prohibiting a member of the Community Services Reimbursement
4 Rate Commission from being reappointed to the Commission under certain
5 circumstances; increasing the minimum required number of annual meetings of
6 the Commission; repealing certain staffing requirements for the Commission
7 applicable in certain fiscal years; altering certain factors the Commission must
8 consider in assessing certain issues concerning certain reimbursement rates;
9 ~~requiring the Commission to make certain recommendations to the Department~~
10 ~~of Health and Mental Hygiene at certain times~~; authorizing the Commission to
11 have timely access to certain information from the Executive Branch, including
12 from the Developmental Disabilities Administration and the Mental Hygiene
13 Administration; altering the date by which the Commission must submit a
14 certain annual report; altering certain factors the Commission must consider in
15 making certain findings to be included in a certain annual report; ~~requiring the~~
16 ~~Commission to send certain recommendations to certain State agencies and to~~
17 ~~request certain State agencies to provide a certain written response~~; repealing
18 certain requirements concerning the terms of the initial members of the
19 Commission; requiring the Commission to include certain findings in a certain
20 report; extending the termination date for the Commission; and generally
21 relating to the Community Services Reimbursement Rate Commission.

22 BY repealing and reenacting, without amendments,
23 Article - Health - General
24 Section 13-801, 13-802, ~~and 13-804~~ 13-804, 13-808, and 13-810
25 Annotated Code of Maryland
26 (1994 Replacement Volume and 1998 Supplement)

1 BY repealing and reenacting, with amendments,
 2 Article - Health - General
 3 Section 13-803, 13-805, and ~~13-806 through 13-810~~ 13-806, 13-807, and
 4 13-809
 5 Annotated Code of Maryland
 6 (1994 Replacement Volume and 1998 Supplement)

7 ~~BY adding to~~
 8 ~~Article - Health - General~~
 9 ~~Section 13-807~~
 10 ~~Annotated Code of Maryland~~
 11 ~~(1994 Replacement Volume and 1998 Supplement)~~

12 BY repealing
 13 Chapter 593 of the Acts of the General Assembly of 1996
 14 Section 2

15 BY repealing and reenacting, with amendments,
 16 Chapter 593 of the Acts of the General Assembly of 1996
 17 Section 3

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

20 **Article - Health - General**

21 13-801.

22 (a) In this subtitle the following words have the meanings indicated.

23 (b) "Commission" means the Community Services Reimbursement Rate
 24 Commission.

25 (c) "Provider" means a community-based agency or program funded:

26 (1) By the Developmental Disabilities Administration to serve
 27 individuals with developmental disabilities; or

28 (2) By the Mental Hygiene Administration to serve individuals with
 29 mental disorders.

30 (d) "Rate" means the reimbursement rate paid by the Department to a
 31 provider from State general funds, Maryland Medical Assistance Program funds,
 32 other State or federal funds, or a combination of those funds.

33 13-802.

34 (a) There is a Community Services Reimbursement Rate Commission.

1 (b) The Commission is an independent unit that functions in the Department.

2 13-803.

3 (a) The Commission shall consist of seven members appointed by the
4 Governor with the advice and consent of the Senate.

5 (b) Of the seven members, four shall be individuals who do not have any
6 connection with the management or policy of any provider.

7 (c) Each member appointed to the Commission shall be interested in ensuring
8 high quality community-based services for individuals with developmental
9 disabilities or mental disorders.

10 (d) (1) The term of a member is 3 years.

11 (2) If a vacancy occurs during the term of a member, the Governor shall
12 appoint a successor who will serve until the term expires.

13 (3) A MEMBER WHO SERVES TWO CONSECUTIVE FULL 3-YEAR TERMS
14 MAY NOT BE REAPPOINTED FOR 3 YEARS AFTER COMPLETION OF THOSE TERMS.

15 13-804.

16 Each year, from among the members of the Commission:

17 (1) The Governor shall appoint a chairman; and

18 (2) The chairman shall appoint a vice chairman.

19 13-805.

20 (a) A quorum of the Commission is four members.

21 (b) The Commission shall meet at least [twice] FOUR TIMES a year at the
22 times and places that it determines.

23 (c) A member of the Commission:

24 (1) May not receive compensation for duties performed as a member of
25 the Commission; but

26 (2) Is entitled to reimbursement for expenses under the Standard State
27 Travel Regulations, as provided in the State budget.

28 (d) [(1) For Fiscal Year 1997, the Commission shall be staffed jointly by staff
29 from the Executive and Legislative Branches.

30 (2) For Fiscal Year 1998, and each fiscal year thereafter, the] THE
31 Commission may employ staff and expend funds to carry out its duties and
32 responsibilities under this subtitle in accordance with the State budget.

1 13-806.

2 The Commission shall assess:

3 (1) The adequacy of reimbursement rates to providers taking into
4 account:

5 (i) The needs of service recipients;

6 (ii) The existing and desired levels of service quality;

7 (iii) State and federal regulatory requirements;

8 (iv) The existing and desired levels of staff turnover;

9 (v) The existing and desired staff qualifications; [and]

10 (vi) The existing and desired ability of providers to operate on a
11 solvent basis in the delivery of effective and efficient services that are in the public
12 interest;

13 [(2)] (VII) The comparability of direct care and managerial staff salaries
14 and wages, including fringe benefits, in provider organizations relative to similar
15 positions in State and local government and in similar human service fields;

16 [(3)] (VIII) The extent and amount of uncompensated care delivered by
17 providers; and

18 (IX) OTHER FACTORS AS THE COMMISSION DEEMS APPROPRIATE;

19 [(4)] (2) The adequacy, efficiency, and effectiveness of the methods of
20 payments to providers, including the reimbursement rate structures employed by the
21 Department, the Developmental Disabilities Administration, and the Mental Hygiene
22 Administration; AND

23 (3) OTHER REIMBURSEMENT RATE ISSUES THE COMMISSION DEEMS
24 APPROPRIATE.

25 13-807.

26 THE COMMISSION SHALL MAKE RECOMMENDATIONS TO THE DEPARTMENT:

27 (1) ANNUALLY ABOUT THE EXTENT TO WHICH THE REIMBURSEMENT
28 RATES PAID BY THE DEVELOPMENTAL DISABILITIES ADMINISTRATION AND THE
29 MENTAL HYGIENE ADMINISTRATION SHOULD BE ADJUSTED TO ACCOUNT FOR THE
30 COST OF LIVING AND OTHER SIMILAR FACTORS;

31 (2) PERIODICALLY BASED ON THE EVALUATION OF THE COMMISSION OF
32 RATE CHANGES PROPOSED BY THE DEPARTMENT; AND

1 (3) ~~PERIODICALLY ON OTHER RATE SYSTEM CHANGES THE~~
2 ~~COMMISSION DEEMS APPROPRIATE.~~

3 (1) THE EXTENT AND AMOUNT OF UNCOMPENSATED CARE DELIVERED
4 BY PROVIDERS;

5 (2) THE RELATIONSHIP OF CHANGES IN WAGES PAID BY PROVIDERS TO
6 CHANGES IN RATES PAID BY THE DEPARTMENT;

7 (3) THE ABILITY OF PROVIDERS TO OPERATE ON A SOLVENT BASIS IN
8 THE DELIVERY OF EFFECTIVE AND EFFICIENT SERVICES THAT ARE IN THE PUBLIC
9 INTEREST;

10 (4) THE INCENTIVES AND DISINCENTIVES:

11 (I) INCORPORATED IN THE RATE SETTING METHODOLOGIES
12 UTILIZED AND PROPOSED BY THE MENTAL HYGIENE ADMINISTRATION AND THE
13 DEVELOPMENTAL DISABILITIES ADMINISTRATION; AND

14 (II) IN ALTERNATIVE METHODOLOGIES;

15 (5) MEASURES OF QUALITY AND HOW INCENTIVES TO PROVIDE
16 QUALITY CARE CAN BE BUILT INTO A RATE SETTING METHODOLOGY; AND

17 (6) THE ADEQUACY OF AND METHODS USED TO DETERMINE THE
18 ANNUAL COST OF LIVING ADJUSTMENT TO THE RATES PAID BY THE
19 DEVELOPMENTAL DISABILITIES ADMINISTRATION AND THE MENTAL HYGIENE
20 ADMINISTRATION.

21 ~~{13-807.}13-808.~~

22 (A) In addition to the powers and duties provided elsewhere in this subtitle,
23 the Commission may:

24 (1) Recommend the adoption of regulations to carry out the provisions of
25 this subtitle;

26 (2) Create committees from among its members;

27 (3) Appoint advisory committees that may include individuals and
28 representatives of interested public and private organizations;

29 (4) Publish and distribute information that relates to the financial
30 aspects of community-based developmental disability or mental health services; and

31 (5) Subject to the limitations of this subtitle, exercise any other power
32 that is reasonably necessary to carry out the purposes of this subtitle.

33 (B) THE COMMISSION SHALL HAVE TIMELY ACCESS TO INFORMATION FROM
34 THE EXECUTIVE BRANCH REQUIRED TO FULFILL THE RESPONSIBILITIES OF THE
35 COMMISSION UNDER THIS SUBTITLE, INCLUDING INFORMATION FROM THE

1 DEVELOPMENTAL DISABILITIES ADMINISTRATION AND THE MENTAL HYGIENE
2 ADMINISTRATION.

3 ~~{13-808.}13-809-~~

4 (a) The power of the Secretary over plans, proposals, and projects of units in
5 the Department does not include the power to disapprove or modify a decision or
6 determination that the Commission makes under authority specifically designated to
7 the Commission by law.

8 (b) The power of the Secretary to transfer by rule, regulation, or written
9 directive any staff, function, or funds of units in the Department does not apply to any
10 staff, function, or funds of the Commission.

11 ~~{13-809.}13-810-~~

12 On or before [July 1, 1997, and each July] OCTOBER 1 of each year [thereafter],
13 the Commission shall issue a report to the Governor, the Secretary, and, subject to §
14 2-1246 of the State Government Article, the General Assembly that:

15 (1) Describes its findings regarding:

16 (i) ~~The adequacy of reimbursement rates currently paid to~~
17 ~~providers taking into account the needs of service recipients, service quality,~~
18 ~~regulatory requirements, staff turnover, staff qualifications, SALARY AND BENEFITS~~
19 ~~OF STAFF COMPARED WITH SIMILAR POSITIONS IN GOVERNMENT AND IN SIMILAR~~
20 ~~FIELDS, and other factors that affect the ability of providers to deliver effective and~~
21 ~~efficient services on a solvent basis;~~

22 (ii) ~~{The comparability of direct care and managerial staff salaries~~
23 ~~and wages, including fringe benefits, in provider organizations relative to similar~~
24 ~~positions in State and local government and in similar human service fields;~~

25 (iii) ~~The extent and amount of uncompensated care delivered by~~
26 ~~providers and its effect on the adequacy of reimbursement rates; and~~

27 (iv) (III) ~~The adequacy, efficiency, and effectiveness of the methods~~
28 ~~of payments to providers, including the reimbursement rate structures employed by~~
29 ~~the Department, the Developmental Disabilities Administration, and the Mental~~
30 ~~Hygiene Administration;~~

31 (2) ~~Based on its findings, recommends any changes in reimbursement~~
32 ~~rates in order to enable providers to deliver on a solvent basis effective and efficient~~
33 ~~services that are in the public interest;~~

34 (3) ~~Recommends any changes in the methods of payment, including the~~
35 ~~reimbursement rate structures employed by the Department, the Developmental~~
36 ~~Disabilities Administration, and the Mental Hygiene Administration;~~

1 (I) THE RELATIONSHIP OF CHANGES IN WAGES PAID BY
 2 PROVIDERS TO CHANGES IN RATES PAID BY THE DEPARTMENT;

3 (II) THE ABILITY OF PROVIDERS TO OPERATE ON A SOLVENT BASIS
 4 IN THE DELIVERY OF EFFECTIVE AND EFFICIENT SERVICES THAT ARE IN THE
 5 PUBLIC INTEREST;

6 (III) THE INCENTIVES AND DISINCENTIVES INCORPORATED IN THE
 7 RATE SETTING METHODOLOGIES UTILIZED AND PROPOSED BY THE MENTAL
 8 HYGIENE ADMINISTRATION AND THE DEVELOPMENTAL DISABILITIES
 9 ADMINISTRATION AND HOW THE METHODOLOGIES MIGHT BE IMPROVED;

10 (IV) ALTERNATIVE RATE SETTING METHODOLOGIES THAT MIGHT
 11 IMPROVE THE EFFICIENCY OR EFFECTIVENESS OF THE METHODS OF PAYMENTS TO
 12 PROVIDERS;

13 (V) HOW THE QUALITY OF CARE OFFERED BY PROVIDERS CAN BE
 14 MEASURED;

15 (VI) HOW INCENTIVES TO PROVIDE QUALITY OF CARE CAN BE
 16 BUILT INTO A RATE SETTING METHODOLOGY; AND

17 (VII) THE ADEQUACY OF AND METHODS USED TO DETERMINE THE
 18 ANNUAL COST OF LIVING ADJUSTMENT TO THE RATES PAID BY THE
 19 DEVELOPMENTAL DISABILITIES ADMINISTRATION AND THE MENTAL HYGIENE
 20 ADMINISTRATION.

21 ~~(4)~~ (2) Recommends the need for any formal executive, judicial, or
 22 legislative action;

23 ~~(5)~~ (3) Describes issues in need of future study by the Commission; and

24 ~~(6)~~ (4) Discusses any other matter that relates to the purposes of the
 25 Commission under this subtitle.

26 ~~{13-810.}13-811.~~

27 ~~(A) THE COMMISSION SHALL SEND ITS RECOMMENDATION TO EACH STATE~~
 28 ~~AGENCY TO WHICH THE RECOMMENDATIONS APPLY AND REQUEST THE STATE~~
 29 ~~AGENCY TO RESPOND TO THE RECOMMENDATIONS IN WRITING AS TO:~~

30 ~~(1) HOW AND WHEN THE STATE AGENCY WILL IMPLEMENT THE~~
 31 ~~RECOMMENDATIONS; OR~~

32 ~~(2) THE REASON THE STATE AGENCY WILL NOT IMPLEMENT THE~~
 33 ~~RECOMMENDATIONS.~~

34 ~~(B)~~ The findings and recommendations of the Commission shall be considered
 35 each year in the development of the budgets of the Department, the Developmental
 36 Disabilities Administration, and the Mental Hygiene Administration.

1

Chapter 593 of the Acts of 1996

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

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 1996. It shall remain effective for a period of [3] 6 years and, at the end of
10 September 30, [1999] 2002, with no further action required by the General Assembly,
11 this Act shall be abrogated and of no further force and effect.

12 SECTION 2. AND BE IT FURTHER ENACTED, That, in the report due on or
13 before October 1, 2002 under § 13-809 of the Health - General Article, the
14 Commission shall include its findings regarding the extent and amount of
15 uncompensated care delivered by providers.

16 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
17 effect October 1, 1999.