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

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Assistance Program - Federally Qualified Health Centers**

3 FOR the purpose of specifying a certain time and methodology for the Department of
4 Health and Mental Hygiene and a federally qualified health center to determine
5 certain costs of the center under the State Medical Assistance Program;
6 requiring certain federally qualified health centers to provide the Department of
7 Health and Mental Hygiene with certain data and reports to assist the
8 Department in making a certain calculation; authorizing a certain federally
9 qualified health center at certain times to make a request for the Department to
10 review certain payments made to the center; and generally relating to federally
11 qualified health centers under the State Medical Assistance Program.

12 BY repealing and reenacting, with amendments,
13 Article - Health - General
14 Section 15-103(e)
15 Annotated Code of Maryland
16 (1994 Replacement Volume and 1998 Supplement)

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

19 **Article - Health - General**

20 15-103.

21 (e) (1) At least quarterly, the Department shall pay to a federally qualified
22 health center the difference between the payment received by the center from a
23 managed care organization for services provided to enrollees of the managed care
24 organization and the reasonable cost to the center DETERMINED IN ACCORDANCE
25 WITH PARAGRAPH (2) OF THIS SUBSECTION in providing those services.

26 (2) (I) The reasonable cost to a federally qualified health center in
27 providing services to enrollees shall be determined in accordance with §
28 1902(a)(13)(C)(i) of the Social Security Act, as amended by the Balanced Budget Act of
29 1997, and any applicable regulations.

1 (II) BEFORE THE END OF EACH FISCAL YEAR, THE DEPARTMENT
2 SHALL WORK IN CONJUNCTION WITH EACH FEDERALLY QUALIFIED HEALTH
3 CENTER TO DETERMINE FOR THE CENTER THE REASONABLE COST OF PROVIDING
4 SERVICES TO ENROLLEES FOR THE NEXT FISCAL YEAR.

5 (III) THE REASONABLE COST OF PROVIDING SERVICES TO
6 ENROLLEES SHALL BE CALCULATED ON A FEE-FOR-SERVICE AND CAPITATED PER
7 MEMBER PER MONTH BASIS AND PROVIDED TO EACH FEDERALLY QUALIFIED
8 HEALTH CENTER BEFORE THE BEGINNING OF THE FISCAL YEAR.

9 (IV) EACH FEDERALLY QUALIFIED HEALTH CENTER SHALL
10 PROVIDE THE DEPARTMENT WITH ITS ENROLLMENT DATA, ENCOUNTER DATA, AND
11 COST REPORTS TO ASSIST THE DEPARTMENT IN CALCULATING THE REASONABLE
12 COST OF PROVIDING SERVICES TO ENROLLEES.

13 (3) (i) At the request of a federally qualified health center, the
14 Department shall review the payments made to the center by a Medicaid managed
15 care organization that has a contractual arrangement with the center to determine
16 the difference between the payments made to the center and the reasonable cost to
17 the center AS DETERMINED IN ACCORDANCE WITH PARAGRAPH (2) OF THIS
18 SUBSECTION in providing services to enrollees of the managed care organization.

19 (II) A FEDERALLY QUALIFIED HEALTH CENTER MAY MAKE A
20 REQUEST FOR THE DEPARTMENT TO REVIEW THE PAYMENTS MADE TO THE CENTER
21 BY A MEDICAID MANAGED CARE ORGANIZATION THAT HAS A CONTRACTUAL
22 ARRANGEMENT WITH THE CENTER:

23 1. DURING THE FIRST QUARTER OF EACH FISCAL YEAR; OR

24 2. WITHIN 90 DAYS OF NOTIFICATION BY A MEDICAID
25 MANAGED CARE ORGANIZATION TO THE CENTER THAT THE MEDICAID MANAGED
26 CARE ORGANIZATION IS CHANGING ITS REIMBURSEMENT TO THE CENTER.

27 [(ii)] (III) If a managed care organization payment to a center is less
28 than the center's reasonable cost DETERMINED IN ACCORDANCE WITH PARAGRAPH
29 (2) OF THIS SUBSECTION, the Department shall set aside a portion of the capitation
30 payment to the managed care organization for a supplemental payment to the center,
31 in accordance with the provisions of paragraphs (1) and (2) of this subsection.

32 (4) In carrying out the payment requirements of this subsection, the
33 Department:

34 (i) May not delegate responsibility for such payments to the
35 managed care organization or any other entity; and

36 (ii) Shall be responsible for making such payments directly to the
37 federally qualified health center.

38 (5) Payments under this subsection shall be reduced each year and shall
39 end in Fiscal Year 2004.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 1999.