

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

Senate Bill 577 (Senator Kellev)

Finance

Medical Assistance Program - Federally Qualified Health Centers

This bill requires the Department of Health and Mental Hygiene (DHMH), in consultation with federally qualified health centers (FQHCs), to establish in regulations as a prospective rate the reasonable cost to an FQHC of providing services to Medicaid enrollees before October 1999. DHMH must certify to the Department of Legislative Services the date on which the regulations take effect.

Under current law, DHMH must pay to an FQHC the difference between what the Medicaid managed care organization (MCO) pays the center and the center's reasonable cost. Under the bill, each FQHC must provide the department with its enrollment data, encounter data, and cost reports to assist the department in calculating the reasonable cost and the difference between the MCO's payment and the FQHC's reasonable cost. The bill also specifies other guidelines relating to the request for a review of MCO payments. In addition, DHMH, in consultation with various industry groups, must study alternative means for improving the viability of FQHCs and report the findings of the study to the Governor, the Senate Finance Committee, and the House Environmental Matters Committee by January 1, 2000.

The bill takes effect July 1, 1999.

Fiscal Summary

State Effect: None. The bill's requirements could be handled with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Information Source(s): Department of Health and Mental Hygiene (Medical Care Policy Administration), Department of Legislative Services

Fiscal Note History: First Reader - March 3, 1999
Inc/jr Revised - Senate Third Reader - March 26, 1999
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