
By: **Chairman, Environmental Matters Committee (Departmental - Health and Mental Hygiene)**

Introduced and read first time: January 29, 2001

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program - Federally Qualified Health**
3 **Centers - Payments**

4 FOR the purpose of repealing a certain provision of law establishing the process for
5 providing certain supplemental payments to federally qualified health centers
6 participating in Maryland's Medical Assistance Program; and generally relating
7 to supplemental payments to federally qualified health centers.

8 BY repealing
9 Article - Health - General
10 Section 15-103(e)
11 Annotated Code of Maryland
12 (2000 Replacement Volume)

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

15 **Article - Health - General**

16 15-103.

17 [(e) (1) At least quarterly, the Department shall pay to a federally qualified
18 health center the difference between the payment received by the center from a
19 managed care organization for services provided to enrollees of the managed care
20 organization and, as determined in accordance with paragraph (2) of this subsection,
21 the reasonable cost to the center in providing those services.

22 (2) (i) The reasonable cost to a federally qualified health center in
23 providing services to enrollees shall be a prospective rate that the Department, in
24 consultation with federally qualified health centers, establishes by regulation.

25 (ii) Each federally qualified health center shall provide the
26 Department with its enrollment data, encounter data, and cost reports to assist the
27 Department in calculating:

1 1. The reasonable cost of providing services to enrollees; and

2 2. The difference between the payment received by the
3 center from a managed care organization and the reasonable cost to the center in
4 providing the services.

5 (3) (i) At the request of a federally qualified health center, the
6 Department shall review the payments made to the center by a Medicaid managed
7 care organization that has a contractual arrangement with the center to determine
8 the difference between the payments made to the center and the reasonable cost to
9 the center as determined in accordance with paragraph (2) of this subsection in
10 providing services to enrollees of the managed care organization.

11 (ii) A federally qualified health center may make a request at any
12 time for the Department to review the payments made to the center by a Medicaid
13 managed care organization that has a contractual arrangement with the center.

14 (iii) The effective date for adjustments made in response to a
15 request by a federally qualified health center shall be:

16 1. The date the Department receives the request; or

17 2. If the request is prompted by a change in the
18 reimbursement practices of a Medicaid managed care organization, the date the
19 managed care organization changed its reimbursement to the center, except that an
20 adjustment under this item may not be retroactive more than 120 days.

21 (iv) If a managed care organization payment to a center is less than
22 the center's reasonable cost, as determined in accordance with paragraph (2) of this
23 subsection, the Department shall set aside a portion of the capitation payment to the
24 managed care organization for a supplemental payment to the center, in accordance
25 with the provisions of this paragraph and paragraphs (1) and (2) of this subsection.

26 (4) In carrying out the payment requirements of this subsection, the
27 Department:

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

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

32 (5) Payments under this subsection shall be reduced each year and shall
33 end in fiscal year 2004.]

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 July 1, 2001.