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Assigned to: Appropriations

Committee Report: Favorable with amendments House action: Adopted Read second time: March 24, 2001

CHAPTER\_\_\_\_\_

1 AN ACT concerning

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### Community Providers - Developmentally Disabled Individuals - Rate Increase

4 FOR the purpose of requiring the Department of Health and Mental Hygiene to

5 increase the rate of reimbursement paid to community providers of services to

6 developmentally disabled individuals in a manner that reduces a certain

7 disparity amount by certain percentages beginning on a certain date; requiring

8 the Department to determine by a certain date, a certain disparity amount

9 using certain data and information and to determine the amount of annual rate

10 increases necessary to eliminate a certain disparity amount in a certain manner;

11 requiring the Department to adopt certain regulations; requiring that certain

12 rate increases be used in a certain manner; providing for the construction of this

1 Act; defining certain terms; and generally relating to community providers of

2 services to developmentally disabled individuals and rate increases.

3 BY adding to

- 4 Article Health General
- 5 Section 7-307
- 6 Annotated Code of Maryland

7 (2000 Replacement Volume)

8

### Preamble

9 WHEREAS, The State of Maryland has a responsibility to ensure that the 10 community-based services provided to individuals with developmental disabilities 11 are of high quality and comply with all regulations; and

12 WHEREAS, The General Assembly is concerned that the reimbursement rates 13 for community providers of services to individuals with developmental disabilities are 14 insufficient to adequately compensate community direct service workers; and

15 WHEREAS, The inadequacy of the reimbursement rates for community

16 providers of services to individuals with developmental disabilities results in a wage

17 disparity between community direct service workers and State employees in

18 comparable positions in State residential facilities; and

19 WHEREAS, The inadequacy of the reimbursement rates for community

20 providers of services to individuals with developmental disabilities has been ongoing

21 and unresolved for many years and there is a need to address the issue in a

22 comprehensive, equitable, and objective manner; now, therefore,

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 24 MARYLAND, That the Laws of Maryland read as follows:

# Article - Health - General

26 7-307.

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27 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS 28 INDICATED.

29 (2) "COMMUNITY PROVIDER" MEANS A COMMUNITY-BASED AGENCY OR 30 PROGRAM FUNDED BY:

31 (I) THE ADMINISTRATION TO SERVE INDIVIDUALS WITH
 32 DEVELOPMENTAL DISABILITIES; OR

33 (II) THE MENTAL HYGIENE ADMINISTRATION TO SERVE
 34 INDIVIDUALS WITH MENTAL DISORDERS.

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<ol> <li>(3) "COMMUNITY DIRECT SERVICE WORKER" MEANS AN EMPLOYEE OF A</li> <li>COMMUNITY PROVIDER THAT PROVIDES TREATMENT OR SERVICES TO</li> <li>DEVELOPMENTALLY DISABLED INDIVIDUALS.</li> </ol>
<ul> <li>4 (4) "DISPARITY AMOUNT" MEANS THE MONETARY CALCULATION OF THE</li> <li>5 AVERAGE DIFFERENCE IN WAGES AND BENEFITS BETWEEN COMMUNITY DIRECT</li> <li>6 SERVICE WORKERS AND <u>DEVELOPMENTAL DISABILITIES ASSOCIATES OR OTHER</u></li> <li>7 COMPARABLE EMPLOYEES IN STATE RESIDENTIAL CENTERS.</li> </ul>
8 (5) "RATE" MEANS THE REIMBURSEMENT RATE PAID BY THE 9 DEPARTMENT TO A COMMUNITY PROVIDER FROM THE STATE GENERAL FUND, 10 MARYLAND MEDICAL ASSISTANCE PROGRAM FUNDS, OTHER STATE OR FEDERAL 11 FUNDS, OR A COMBINATION OF FUNDS.
12 (B) NOTWITHSTANDING THE PROVISIONS OF THIS TITLE, THE DEPARTMENT 13 SHALL REIMBURSE COMMUNITY PROVIDERS AS PROVIDED IN THIS SECTION.
14 (C) (1) ON OR BEFORE <del>JULY</del> <u>SEPTEMBER</u> 1, 2001, THE DEPARTMENT SHALL 15 DETERMINE:
16 (I) THE DISPARITY AMOUNT; AND
<ul> <li>(II) THE AMOUNT OF ANNUAL INCREASE IN THE RATE OF</li> <li>REIMBURSEMENT TO COMMUNITY PROVIDERS NECESSARY TO REDUCE AND</li> <li>ELIMINATE THE DISPARITY AMOUNT AS REQUIRED UNDER SUBSECTION (D) OF THIS</li> <li>SECTION.</li> </ul>
21 (2) THE DEPARTMENT SHALL DETERMINE THE DISPARITY AMOUNT 22 USING DATA AND INFORMATION FROM:
23 (I) THE COMMUNITY SERVICES RATE REIMBURSEMENT 24 COMMISSION; AND
25 (II) REPORTS REQUIRED TO BE PROVIDED TO THE GENERAL 26 ASSEMBLY BY THE DEPARTMENT.
27 (D) THE DEPARTMENT SHALL INCREASE THE RATE OF REIMBURSEMENT FOR 28 COMMUNITY SERVICES PROVIDERS BY AN AMOUNT THAT:
29 (1) REDUCES THE DISPARITY AMOUNT TO 40% 80% ON OR BEFORE JULY 30 1, 2002;
31(2)REDUCES THE DISPARITY AMOUNT TO 20% 60% ON OR BEFORE JULY321, 2003; AND
33(3)REDUCES THE DISPARITY AMOUNT TO 40% ON OR BEFORE JULY 1,342004;
35(4)362005; ANDREDUCES THE DISPARITY AMOUNT TO 20% ON OR BEFORE JULY 1,

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1 (3) (5) ELIMINATES THE DISPARITY AMOUNT ON OR BEFORE JULY 1, 2 2004 2006.

3 (E) THE SECRETARY SHALL ADOPT REGULATIONS TO IMPLEMENT THIS 4 SECTION.

5 (F) <u>ALL INCREASES IN THE RATE OF REIMBURSEMENT PROVIDED FOR IN THIS</u>
 6 <u>SECTION SHALL BE USED TO INCREASE THE COMPENSATION OF COMMUNITY</u>
 7 <u>DIRECT SERVICE WORKERS.</u>

8 (F) (G) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT THE 9 DEPARTMENT FROM ELIMINATING THE DISPARITY AMOUNT PRIOR TO JULY 1, <del>2004</del> 10 <u>2006</u>.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 12 June 1, 2001.

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