
By: **Delegates Hammen, Rosenberg, and McHale**
Introduced and read first time: January 21, 2002
Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Developmental Disabilities Administration - Private Providers - Reporting**
3 **Requirements**

4 FOR the purpose of authorizing the Developmental Disabilities Administration to
5 withhold payment from private providers, under contract with the
6 Administration to provide community-based services to developmentally
7 disabled individuals, for failure to correct or submit certain information;
8 requiring the Administration to advise private providers that certain
9 information has been submitted late or is in need of correction before
10 withholding payment; specifying that the amount of payment that may be
11 withheld for failure to correct or submit certain information may not exceed a
12 certain amount; clarifying certain terms; requiring private providers to submit
13 certain information to the Administration on or before a certain date;
14 authorizing the Administration to impose monetary penalties on private
15 providers for failure to comply with certain reporting requirements; and
16 generally relating to the Developmental Disabilities Administration, private
17 providers, and reporting requirements.

18 BY repealing and reenacting, with amendments,
19 Article - Health - General
20 Section 7-306.1 and 7-910
21 Annotated Code of Maryland
22 (2000 Replacement Volume and 2001 Supplement)

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

25 **Article - Health - General**

26 7-306.1.

27 (a) The Administration shall develop and implement a funding system for the
28 distribution of State funds to private providers that are under contract with the
29 Administration to provide community-based services to individuals with disability in
30 accordance with the State plan.

1 (b) Funds received for services that are fee-for-service or that have rates set
2 by regulation shall be subject to recovery by the Administration only for the following
3 purposes:

- 4 (1) Client attendance;
- 5 (2) Client fees; or
- 6 (3) Sanctions allowed through regulations.

7 (c) (1) Under the funding system developed under subsection (a) of this
8 section, the Administration shall notify each private provider at least 30 days before
9 the beginning of the fiscal year of the billing rate or amount of funds to be paid to the
10 provider for the provision of community-based services to an individual with
11 developmental disability or a group of individuals with developmental disability for
12 the coming fiscal year.

13 (2) (i) A private provider may request an administrative resolution of
14 a billing rate set under paragraph (1) of this subsection except for rates set in
15 regulation.

16 (ii) Within 60 days after receipt of the provider's request, the
17 Administration shall make a decision on the request for an administrative resolution.

18 (iii) If an administrative resolution cannot be reached between the
19 provider and the Administration, the provider may request an evidentiary hearing or
20 an oral hearing in accordance with regulations of the Department.

21 (d) Subject to the provisions of subsections (e), (f), and (g) of this section, the
22 Administration shall provide payment to private providers for the services provided
23 from the funds designated in subsection (c) of this section in accordance with the
24 following payment schedule:

25 (1) On or before the third business day of the fiscal quarter beginning
26 July 1, 33% of the total annual amount to be paid to the provider;

27 (2) On or before the third business day of the fiscal quarter beginning
28 October 1, 25% of the total annual amount to be paid to the provider;

29 (3) On or before the third business day of the fiscal quarter beginning
30 January 1, 25% of the total annual amount to be paid to the provider; and

31 (4) On or before the third business day of the fiscal quarter beginning
32 April 1, 17% of the total annual amount to be paid to the provider.

33 (e) The Administration may deviate from the payment schedule provided
34 under subsection (d) of this section for any provider:

1 (1) That is reimbursed through the fee payment system and fails to
2 submit properly completed program attendance reports within 15 days of the
3 beginning of each month; [or]

4 (2) That provides services under the medical assistance program and
5 fails to submit the designated forms used by the medical assistance program to claim
6 federal fund participation within 30 days after the end of each month; OR

7 (3) THAT FAILS TO SUBMIT A COST REPORT FOR RATE-BASED PAYMENT
8 SYSTEMS OR WAGE SURVEYS AS REQUIRED UNDER SUBSECTION (K) OF THIS
9 SECTION.

10 (f) A deviation from the payment schedule as provided under subsection (e) of
11 this section may occur only if the Administration has:

12 (1) Advised the provider that:

13 (i) An attendance report which has been submitted on time is in
14 need of correction; [or]

15 (ii) A designated medical assistance form which has been submitted
16 on time is in need of correction;

17 (III) A COST REPORT FOR RATE-BASED PAYMENT SYSTEMS HAS NOT
18 BEEN SUBMITTED ON TIME OR, IF SUBMITTED, IS IN NEED OF CORRECTION; OR

19 (IV) A WAGE SURVEY HAS NOT BEEN SUBMITTED ON TIME OR, IF
20 SUBMITTED, IS IN NEED OF CORRECTION.

21 (2) Allowed the provider at least 5 working days to SUBMIT, resubmit or
22 correct the report or form; and

23 (3) Not in any way contributed to the delay of or error on a report or
24 form.

25 (g) The amount of a reduction of payments to a provider pursuant to
26 subsections (e) and (f) of this section may not:

27 (1) [exceed] EXCEED the amount of lost federal revenue attributable to
28 the delay or error; OR

29 (2) IN THE CASE OF COST REPORTS FOR RATE-BASED PAYMENT
30 SYSTEMS OR WAGE SURVEYS, EXCEED \$500 PER DAY PER REPORT FOR EACH DAY THE
31 REPORT IS NOT SUBMITTED OR CORRECTED.

32 (h) The Administration:

33 (1) Shall place sufficient funds in a specially designated account with the
34 Office of the Comptroller to meet its financial obligations under subsection (d) of this
35 section;

1 (2) Shall disburse funds from the account in accordance with the
2 payment schedule provided in subsection (d) of this section;

3 (3) May not use the funds in the account for any other purpose except for
4 the purpose of reimbursing private providers for the provision of community-based
5 services to individuals with developmental disability;

6 (4) Within 1 year after receipt of a private provider's [year-end report]
7 COST REPORT FOR RATE-BASED PAYMENT SYSTEMS, shall reconcile the report and
8 shall provide the provider with a written approval of the report or a written
9 explanation of any items in dispute; and

10 (5) Shall conduct an audit of each private provider every 4 years.

11 (i) The Administration shall accept as final the private provider's [year-end
12 report] COST REPORT FOR RATE-BASED PAYMENT SYSTEMS if:

13 (1) The Administration fails to provide written approval or a written
14 explanation of any items in dispute within 1 year after receiving the report; or

15 (2) The Administration fails to reconcile the [year-end report] COST
16 REPORT FOR RATE-BASED PAYMENT SYSTEMS within 1 year after receiving the
17 report.

18 (j) If the Administration fails to conduct an audit of a private provider as
19 required in subsection (h)(5) of this section, the Administration may not audit the
20 private provider for any fiscal year that began more than 48 months before the
21 Administration's notification of audit, unless the Administration suspects fraud or
22 misappropriation of funds.

23 (k) Private providers shall provide the year-end report to the Administration
24 no later than 6 months after the end of the State fiscal year.]

25 (K) PRIVATE PROVIDERS SHALL SUBMIT TO THE ADMINISTRATION:

26 (1) COST REPORTS FOR RATE-BASED PAYMENT SYSTEMS NO LATER
27 THAN 6 MONTHS AFTER THE END OF THE STATE FISCAL YEAR; AND

28 (2) WAGE SURVEYS BY THE LATER OF:

29 (I) 60 DAYS AFTER THE LAST DAY OF THE PAY PERIOD FOR WHICH
30 THE DATA IS REQUESTED; OR

31 (II) 60 DAYS AFTER RECEIPT OF A REQUEST FROM THE
32 ADMINISTRATION FOR WAGE SURVEY INFORMATION.

33 7-910.

34 (a) The Administration shall deny a license to any applicant or suspend or
35 revoke a license if the applicant or licensee fails to comply with the applicable laws,
36 rules, or regulations of this State.

1 (b) Any applicant or licensee who knowingly and willfully makes a false
2 statement in connection with an application under this subtitle shall be guilty of a
3 misdemeanor and upon conviction shall be subject to a fine not to exceed \$1,000, or
4 imprisonment not exceeding 1 year, or both.

5 (C) THE ADMINISTRATION MAY IMPOSE A PENALTY NOT EXCEEDING \$500 PER
6 DAY PER VIOLATION FOR EACH DAY A VIOLATION OCCURS ON A LICENSEE THAT
7 FAILS TO COMPLY WITH THE REPORTING REQUIREMENTS ESTABLISHED UNDER §
8 7-306.1(K) OF THIS TITLE.

9 [(c)] (D) Except as otherwise provided in § 10-226 of the State Government
10 Article, before the Administration takes any action under this section, the
11 Administration shall give the applicant or licensee notice and an opportunity for a
12 hearing.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2002.