
By: **Delegates Hammen, Rosenberg, and McHale**
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Assigned to: Environmental Matters

Committee Report: Favorable with amendments
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CHAPTER _____

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 the Administration to publish
13 the cost centers used to determine the funding amount for rates set in
14 regulation; requiring private providers to submit certain information to the
15 Administration on or before a certain date; authorizing the Administration to
16 impose monetary penalties on private providers for failure to comply with
17 certain reporting requirements; and generally relating to the Developmental
18 Disabilities Administration, private providers, and reporting requirements.

19 BY repealing and reenacting, with amendments,
20 Article - Health - General
21 Section 7-306.1 and 7-910
22 Annotated Code of Maryland
23 (2000 Replacement Volume and 2001 Supplement)

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

1

Article - Health - General

2 7-306.1.

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

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

10 (1) Client attendance;

11 (2) Client fees; or

12 (3) Sanctions allowed through regulations.

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

19 (2) FOR RATES THAT ARE SET IN REGULATION, THE ADMINISTRATION
20 SHALL INCLUDE THE COST CENTERS USED TO DETERMINE THE FUNDING AMOUNT
21 OF EACH RATE.

22 ~~(2)~~ (3) (i) A private provider may request an administrative
23 resolution of a billing rate set under paragraph (1) of this subsection except for rates
24 set in regulation.

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

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

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

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

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

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

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

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

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

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

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

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

20 (1) Advised the provider that:

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

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

25 (III) A COST REPORT FOR RATE-BASED PAYMENT SYSTEMS HAS NOT
26 BEEN SUBMITTED ~~ON TIME~~ WITHIN 6 MONTHS FROM THE CLOSE OF THE FISCAL
27 YEAR OR, IF SUBMITTED, IS IN NEED OF CORRECTION; OR

28 (IV) A WAGE SURVEY REQUESTED UNDER SUBSECTION (L) OF THIS
29 SECTION HAS NOT BEEN SUBMITTED ON TIME BY THE LATER OF 60 DAYS FROM THE
30 DATE OF RECEIPT OF THE REQUEST OR WITHIN 60 DAYS AFTER THE LAST DAY OF
31 THE PAY PERIOD FOR WHICH THE DATA WAS REQUESTED OR, IF SUBMITTED, IS IN
32 NEED OF CORRECTION.

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

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

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

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

5 (2) IN THE CASE OF COST REPORTS FOR RATE-BASED PAYMENT
6 SYSTEMS OR WAGE SURVEYS, EXCEED \$500 PER DAY PER REPORT FOR EACH DAY THE
7 REPORT IS NOT SUBMITTED PAST THE GIVEN DUE DATE OR CORRECTED.

8 (h) The Administration:

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

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

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

17 (4) Within 1 year after receipt of a private provider's {year-end report}
18 AND COST REPORT FOR RATE-BASED PAYMENT SYSTEMS, shall reconcile the report
19 and shall provide the provider with a written approval of the report or a written
20 explanation of any items in dispute; and

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

22 (i) The Administration shall accept as final the private provider's {year-end
23 report} AND COST REPORT FOR RATE-BASED PAYMENT SYSTEMS if:

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

26 (2) The Administration fails to reconcile the {year-end report} AND
27 COST REPORT FOR RATE-BASED PAYMENT SYSTEMS within 1 year after receiving the
28 report.

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

34 {k} Private providers shall provide the year-end report to the Administration
35 no later than 6 months after the end of the State fiscal year.}

36 ~~(K)~~ (L) PRIVATE PROVIDERS SHALL SUBMIT TO THE ADMINISTRATION:

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

3 (2) WAGE SURVEYS BY THE LATER OF:

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

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

8 7-910.

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

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

16 (C) THE ADMINISTRATION MAY IMPOSE A PENALTY NOT EXCEEDING \$500 PER
17 DAY PER VIOLATION FOR EACH DAY A VIOLATION OCCURS ON A LICENSEE THAT
18 FAILS TO COMPLY WITH THE REPORTING REQUIREMENTS ESTABLISHED UNDER §
19 7-306.1~~(K)~~ (L) OF THIS TITLE.

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

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