

SENATE BILL 230

Unofficial Copy
03

2002 Regular Session
(2r1392)

ENROLLED BILL
-- Finance/Environmental Matters --

Introduced by **Senator Kasemeyer**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

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 regulation;
14 requiring private providers to submit certain information to the Administration
15 on or before a certain date; authorizing the Administration to impose monetary
16 penalties on private providers for failure to comply with certain reporting
17 requirements; and generally relating to the Developmental Disabilities

1 Administration, private providers, and reporting requirements.

2 BY repealing and reenacting, with amendments,

3 Article - Health - General

4 Section 7-306.1 and 7-910

5 Annotated Code of Maryland

6 (2000 Replacement Volume and 2001 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article - Health - General**

10 7-306.1.

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

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

18 (1) Client attendance;

19 (2) Client fees; or

20 (3) Sanctions allowed through regulations.

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

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

30 ~~(2)~~ (3) (i) A private provider may request an administrative
31 resolution of a billing rate set under paragraph (1) of this subsection except for rates
32 set in regulation.

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

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

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

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

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

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

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

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

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

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

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

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

29 (1) Advised the provider that:

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

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

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

1 (IV) A WAGE SURVEY REQUESTED UNDER SUBSECTION (L) OF THIS
 2 SECTION HAS NOT BEEN SUBMITTED ~~ON-TIME~~ BY THE LATER OF 60 DAYS FROM THE
 3 DATE OF RECEIPT OF THE REQUEST OR WITHIN 60 DAYS AFTER THE LAST DAY OF
 4 THE PAY PERIOD FOR WHICH THE DATA WAS REQUESTED OR, IF SUBMITTED, IS IN
 5 NEED OF CORRECTION.

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

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

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

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

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

17 (h) The Administration:

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

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

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

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

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

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

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

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

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

9 ~~{(k)}~~ Private providers shall provide the year-end report to the Administration
 10 no later than 6 months after the end of the State fiscal year.}

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

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

14 (2) WAGE SURVEYS BY THE LATER OF:

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

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

19 7-910.

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

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

27 (C) THE ADMINISTRATION MAY IMPOSE A PENALTY NOT EXCEEDING \$500 PER
 28 DAY PER VIOLATION FOR EACH DAY A VIOLATION OCCURS ON A LICENSEE THAT
 29 FAILS TO COMPLY WITH THE REPORTING REQUIREMENTS ESTABLISHED UNDER §
 30 7-306.1~~(K)~~ (L) OF THIS TITLE.

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

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

