

SENATE BILL 481

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2002 Regular Session  
2lr1780  
CF 2lr1857

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By: **Senator Kelley**  
Introduced and read first time: February 1, 2002  
Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program and Maryland Children's Health**  
3 **Program - Reimbursement Rates**

4 FOR the purpose of requiring the Department of Health and Mental Hygiene to  
5 establish a certain annual process to set reimbursement rates for certain  
6 programs that reflect certain rates, systems, and codes; requiring the  
7 Department to submit a certain annual report; making stylistic changes; and  
8 generally relating to the reimbursement rates of the Maryland Medical  
9 Assistance Program and the Maryland Children's Health Program.

10 BY repealing and reenacting, with amendments,  
11 Chapter 702 of the Acts of the General Assembly of 2001  
12 Section 1

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

15 **Chapter 702 of the Acts of 2001**

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That:

18 (a) The Department of Health and Mental Hygiene shall[:

19 (1)] establish a process to annually set the fee-for-service reimbursement  
20 rates for the Maryland Medical Assistance Program and the Maryland Children's  
21 Health Program in a manner that ensures participation of providers[; and

22 (2) in developing the process required under item (1) of this subsection,  
23 consider] AND THAT REFLECTS:

24 [(i) (1) [a reimbursement system that reflects] reimbursement  
25 fee-for-service rates paid in the community as well as annual medical inflation; or

1                    [(ii)]    (2)    the CURRENT Resource Based Relative Value Scale system  
2 used in the federal Medicare program or THE American Dental Association CPT-3  
3 Codes.

4        (b)        On or before [September 1, 2001] SEPTEMBER 1 OF EACH YEAR, the  
5 Department shall submit a report to the Governor and, in accordance with § 2-1246 of  
6 the State Government Article, to the Senate Finance Committee, the Senate Budget  
7 and Taxation Committee, the House Environmental Matters Committee, and the  
8 House Appropriations Committee on:

9                    (1)        its progress in complying with subsection (a) of this section;

10                    (2)        an analysis of the fee-for-service reimbursement rates paid in other  
11 states and how those rates compare with those in Maryland;

12                    (3)        its schedule for bringing Maryland's fee-for-service reimbursement  
13 rates to a level that assures that all health care providers are reimbursed adequately  
14 to provide access to care; and

15                    (4)        an analysis on the estimated costs of implementing the schedule and  
16 any proposed changes to the fee-for-service reimbursement rates for the Maryland  
17 Medical Assistance Program and the Maryland Children's Health Program.

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