

SENATE BILL 481

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2002 Regular Session
2r1780
CF 2r1857

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

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 22, 2002

CHAPTER _____

1 AN ACT concerning

2 **Maryland Medical Assistance Program ~~and~~, Maryland Children's Health**
3 **Program, and Public Mental Health System - 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 and the public mental health system that reflect certain rates,
7 systems, and codes; requiring the Department to submit a certain annual report;
8 making stylistic changes; and generally relating to the reimbursement rates of
9 the Maryland Medical Assistance Program ~~and~~, the Maryland Children's Health
10 Program, and the public mental health system.

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

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

16 **Chapter 702 of the Acts of 2001**

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

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

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

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

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

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

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

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

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

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

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

22 SECTION 2. AND BE IT FURTHER ENACTED, That:

23 (a) The Department of Health and Mental Hygiene shall establish a process to
24 annually set the fee-for-service reimbursement rates for the public mental health
25 system in a manner that ensures participation of providers.

26 (b) In determining the rates for outpatient mental health clinics, the
27 Department shall consider the Medicare-allowable charges for comparable CPT
28 Codes.

29 (c) In determining the rates for public mental health system services having
30 no Medicare CPT Code equivalent, the Department shall consider the reasonable
31 costs of and the Medicare Principles of Reimbursement for relevant factors, including:

32 (1) staffing;

33 (2) overhead;

34 (3) capital needs; and

35 (4) annual medical inflation.

1 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
2 effect July 1, 2002.