

SENATE BILL 612

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2002 Regular Session
2lr2606
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By: **Senators Della and Bromwell**
Introduced and read first time: February 1, 2002
Assigned to: Finance

Committee Report: Favorable
Senate action: Adopted
Read second time: March 21, 2002

CHAPTER _____

1 AN ACT concerning

2 **Medical Assistance - Hospitals - Off-Site Community-Based Mental Health**
3 **Services**

4 FOR the purpose of requiring the Department of Health and Mental Hygiene to adopt
5 certain regulations for the reimbursement of certain facilities under the Medical
6 Assistance Program; requiring that a hospital providing mental health services
7 at an off-site, community-based mental health center prior to a certain date be
8 subject to certain rates and provisions of law under certain circumstances; and
9 generally relating to off-site, community-based mental health services provided
10 by a hospital.

11 BY repealing and reenacting, with amendments,
12 Article - Health - General
13 Section 15-105
14 Annotated Code of Maryland
15 (2000 Replacement Volume and 2001 Supplement)

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

18 **Article - Health - General**

19 15-105.

20 (a) The Department shall adopt rules and regulations for the reimbursement
21 of providers under the Program. However, except for an invoice that must be
22 submitted to a Medicare intermediary or Medicare carrier for an individual who may

1 have both Medicare and Medicaid coverage, payment may not be made for an invoice
2 that is received more than 1 year after the dates of the services given.

3 (b) A provider who fails to submit an invoice within the required time may not
4 recover the amount later from the Program recipient.

5 (c) (1) The Department shall adopt regulations for the reimbursement of
6 specialty outpatient treatment and diagnostic services rendered to Program
7 recipients at a freestanding clinic owned and operated by a hospital that is under a
8 capitation agreement approved by the Health Services Cost Review Commission.

9 (2) (i) Except as provided in subparagraph (ii) of this paragraph, the
10 reimbursement rate under paragraph (1) of this subsection shall be set according to
11 Medicare standards and principles for retrospective cost reimbursement as described
12 in 42 CFR Part 413 or on the basis of charges, whichever is less.

13 (ii) The reimbursement rate for a hospital that has transferred
14 outpatient oncology, diagnostic, rehabilitative, and digestive disease services to an
15 off-site facility prior to January 1, 1999 shall be set according to the rates approved
16 by the Health Services Cost Review Commission if:

17 1. The transfer of services was due to zoning restrictions at
18 the hospital campus;

19 2. The off-site facility is surveyed as part of the hospital for
20 purposes of accreditation by the Joint Commission on the Accreditation of Health
21 Care Organizations; and

22 3. The hospital notifies the Health Services Cost Review
23 Commission in writing by July 1, 1999 that the hospital would like the services
24 provided at the off-site facility subject to Title 19, Subtitle 2 of this article.

25 (d) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS FOR THE
26 REIMBURSEMENT OF OUTPATIENT MENTAL HEALTH SERVICES PROVIDED AT AN
27 OFF-SITE, COMMUNITY-BASED MENTAL HEALTH CENTER BY A HOSPITAL.

28 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
29 PARAGRAPH, THE REIMBURSEMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION
30 SHALL BE SET ACCORDING TO MEDICARE STANDARDS AND PRINCIPLES.

31 (II) THE REIMBURSEMENT RATE FOR A HOSPITAL PROVIDING
32 MENTAL HEALTH CARE SERVICES AT AN OFF-SITE, COMMUNITY-BASED MENTAL
33 HEALTH CENTER BEFORE JANUARY 1, 1997 SHALL BE SET ACCORDING TO THE RATES
34 ESTABLISHED BY THE HEALTH SERVICES COST REVIEW COMMISSION IF:

35 1. THE OFF-SITE FACILITY IS SURVEYED AS PART OF THE
36 HOSPITAL FOR PURPOSES OF ACCREDITATION BY THE JOINT COMMISSION ON THE
37 ACCREDITATION OF HEALTH CARE ORGANIZATIONS; AND

