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By: **Delegate Hurson**

Introduced and read first time: February 11, 2004

Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program - Carve-Out of Specialty Mental**  
3 **Health Services**

4 FOR the purpose of requiring the Secretary of Health and Mental Hygiene to exclude  
5 specialty mental health services from the program requiring Medical Assistance  
6 Program recipients to enroll in managed care organizations; repealing the  
7 authority of the Department to contract with a managed care organization to  
8 provide specialty mental health services; and generally relating to specialty  
9 mental health services and the Medical Assistance Program.

10 BY repealing and reenacting, without amendments,  
11 Article - Health - General  
12 Section 15-103(a)(1) and (b)(1) and (5)  
13 Annotated Code of Maryland  
14 (2000 Replacement Volume and 2003 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article - Health - General  
17 Section 15-103(b)(4) and (21)  
18 Annotated Code of Maryland  
19 (2000 Replacement Volume and 2003 Supplement)

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

22 **Article - Health - General**

23 15-103.

24 (a) (1) The Secretary shall administer the Maryland Medical Assistance  
25 Program.

26 (b) (1) As permitted by federal law or waiver, the Secretary may establish a  
27 program under which Program recipients are required to enroll in managed care  
28 organizations.

1 (4) (i) The Secretary may exclude specific populations or services from  
2 the program developed under paragraph (1) of this subsection.

3 (II) THE SECRETARY SHALL EXCLUDE SPECIALTY MENTAL HEALTH  
4 SERVICES FROM THE PROGRAM DEVELOPED UNDER PARAGRAPH (1) OF THIS  
5 SUBSECTION.

6 [(ii)] (III) For any populations or services excluded under this  
7 paragraph, the Secretary may authorize a managed care organization, to provide the  
8 services or provide for the population, including authorization of a separate dental  
9 managed care organization or a managed care organization to provide services to  
10 Program recipients with special needs.

11 (5) (i) Except for a service excluded by the Secretary under paragraph  
12 (4) of this subsection, each managed care organization shall provide all the benefits  
13 required by regulations adopted under paragraph (2) of this subsection.

14 (ii) For a population or service excluded by the Secretary under  
15 paragraph (4) of this subsection, the Secretary may authorize a managed care  
16 organization to provide only for that population or provide only that service.

17 (iii) A managed care organization may subcontract specified  
18 required services to a health care provider that is licensed or authorized to provide  
19 those services.

20 (21) (i) The Department shall establish a delivery system for specialty  
21 mental health services for enrollees of managed care organizations.

22 (ii) The Mental Hygiene Administration shall:

23 1. Design and monitor the delivery system;

24 2. Establish performance standards for providers in the  
25 delivery system; and

26 3. Establish procedures to ensure appropriate and timely  
27 referrals from managed care organizations to the delivery system that include:

28 A. Specification of the diagnoses and conditions eligible for  
29 referral to the delivery system;

30 B. Training and clinical guidance in appropriate use of the  
31 delivery system for managed care organization primary care providers;

32 C. Preauthorization by the utilization review agent of the  
33 delivery system; and

34 D. Penalties for a pattern of improper referrals.

1 (iii) The Department shall collaborate with managed care  
2 organizations to develop standards and guidelines for the provision of specialty  
3 mental health services.

4 (iv) The delivery system shall:

5 1. Provide all specialty mental health services needed by  
6 enrollees;

7 2. For enrollees who are dually diagnosed, coordinate the  
8 provision of substance abuse services provided by the managed care organizations of  
9 the enrollees;

10 3. Consist of a network of qualified mental health  
11 professionals from all core disciplines;

12 4. Include linkages with other public service systems; and

13 5. Comply with quality assurance, enrollee input, data  
14 collection, and other requirements specified by the Department in regulation.

15 (v) [The Department may contract with a managed care  
16 organization for delivery of specialty mental health services if the managed care  
17 organization meets the performance standards adopted by the Department in  
18 regulations.

19 (vi)] The provisions of § 15-1005 of the Insurance Article apply to the  
20 delivery system for specialty mental health services established under this paragraph  
21 and administered by an administrative services organization.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 June 1, 2004.