

HOUSE BILL 943

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2004 Regular Session  
4lr2252  
CF 4lr2937

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By: ~~Delegate Hurson~~ **Delegates Hurson, Hammen, Benson, Boutin, Costa,  
Donoghue, Elliott, Goldwater, Hubbard, Mandel, Morhaim, Murray,  
Nathan-Pulliam, Oaks, Pendergrass, Rosenberg, Rudolph, Smigiel, and  
V. Turner**

Introduced and read first time: February 11, 2004  
Assigned to: Health and Government Operations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: April 3, 2004

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

4 FOR the purpose of ~~requiring~~ prohibiting the Secretary of Health and Mental  
5 Hygiene ~~to exclude from ending the exclusion of~~ specialty mental health services  
6 from the program requiring Medical Assistance Program recipients to enroll in  
7 managed care organizations without certain approval; ~~repealing the authority of~~  
8 ~~the Department to contract~~ prohibiting the Department of Health and Mental  
9 Hygiene from contracting with a behavioral managed care organization to  
10 provide specialty mental health services without certain approval; and generally  
11 relating to specialty mental health services and the Medical Assistance  
12 Program.

13 ~~BY repealing and reenacting, without amendments,~~  
14 ~~Article Health General~~  
15 ~~Section 15-103(a)(1) and (b)(1) and (5)~~  
16 ~~Annotated Code of Maryland~~  
17 ~~(2000 Replacement Volume and 2003 Supplement)~~

18 ~~BY repealing and reenacting, with amendments,~~  
19 ~~Article Health General~~  
20 ~~Section 15-103(b)(4) and (21)~~  
21 ~~Annotated Code of Maryland~~  
22 ~~(2000 Replacement Volume and 2003 Supplement)~~

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 2 MARYLAND, That ~~the Laws of Maryland read as follows:~~ without the legislative  
 3 approval of the General Assembly:

4 (a) the Secretary of Health and Mental Hygiene may not end the exclusion of  
 5 specialty mental health services from the program requiring Medical Assistance  
 6 Program recipients to enroll in managed care organizations; and

7 (b) the Department of Health and Mental Hygiene may not contract with a  
 8 behavioral managed care organization to provide specialty mental health services.

9 **Article—Health—General**

10 ~~15-103.~~

11 (a) (1) ~~The Secretary shall administer the Maryland Medical Assistance~~  
 12 ~~Program.~~

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

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

18 (H) ~~THE SECRETARY SHALL EXCLUDE SPECIALTY MENTAL HEALTH~~  
 19 ~~SERVICES FROM THE PROGRAM DEVELOPED UNDER PARAGRAPH (1) OF THIS~~  
 20 ~~SUBSECTION.~~

21 [(ii)] (H) ~~For any populations or services excluded under this~~  
 22 ~~paragraph, the Secretary may authorize a managed care organization, to provide the~~  
 23 ~~services or provide for the population, including authorization of a separate dental~~  
 24 ~~managed care organization or a managed care organization to provide services to~~  
 25 ~~Program recipients with special needs.~~

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

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

32 (iii) ~~A managed care organization may subcontract specified~~  
 33 ~~required services to a health care provider that is licensed or authorized to provide~~  
 34 ~~those services.~~

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

- 1                   (ii)     ~~The Mental Hygiene Administration shall:~~
- 2                             1.     ~~Design and monitor the delivery system;~~
- 3                             2.     ~~Establish performance standards for providers in the~~  
4 ~~delivery system; and~~
- 5                             3.     ~~Establish procedures to ensure appropriate and timely~~  
6 ~~referrals from managed care organizations to the delivery system that include:~~
- 7                             A.     ~~Specification of the diagnoses and conditions eligible for~~  
8 ~~referral to the delivery system;~~
- 9                             B.     ~~Training and clinical guidance in appropriate use of the~~  
10 ~~delivery system for managed care organization primary care providers;~~
- 11                            C.     ~~Preauthorization by the utilization review agent of the~~  
12 ~~delivery system; and~~
- 13                            D.     ~~Penalties for a pattern of improper referrals.~~
- 14                   (iii)    ~~The Department shall collaborate with managed care~~  
15 ~~organizations to develop standards and guidelines for the provision of specialty~~  
16 ~~mental health services.~~
- 17                   (iv)    ~~The delivery system shall:~~
- 18                            1.     ~~Provide all specialty mental health services needed by~~  
19 ~~enrollees;~~
- 20                            2.     ~~For enrollees who are dually diagnosed, coordinate the~~  
21 ~~provision of substance abuse services provided by the managed care organizations of~~  
22 ~~the enrollees;~~
- 23                            3.     ~~Consist of a network of qualified mental health~~  
24 ~~professionals from all core disciplines;~~
- 25                            4.     ~~Include linkages with other public service systems; and~~
- 26                            5.     ~~Comply with quality assurance, enrollee input, data~~  
27 ~~collection, and other requirements specified by the Department in regulation.~~
- 28                   (v)     ~~[The Department may contract with a managed care~~  
29 ~~organization for delivery of specialty mental health services if the managed care~~  
30 ~~organization meets the performance standards adopted by the Department in~~  
31 ~~regulations.~~
- 32                   (vi)]    ~~The provisions of § 15-1005 of the Insurance Article apply to the~~  
33 ~~delivery system for specialty mental health services established under this paragraph~~  
34 ~~and administered by an administrative services organization.~~

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