

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 943

(Delegate Hurson, *et al.*)

Health and Government Operations

Finance

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

This bill provides that, without the legislative approval of the General Assembly: (1) the Secretary of Health and Mental Hygiene may not end the exclusion of specialty mental health services from the Medicaid HealthChoice managed care program; and (2) the Department of Health and Mental Hygiene (DHMH) may not contract with a behavioral managed care organization to provide specialty mental health services.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: None. The bill codifies existing practice/procedure.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: DHMH administers the Medicaid program. Medicaid managed care organizations (MCOs) may provide primary mental health services, but DHMH must establish a separate, or carved-out, delivery system for specialty mental health services for MCO enrollees. The Mental Hygiene Administration (MHA) within DHMH administers the specialty mental health services provided to MCO enrollees.

Background: When DHMH implemented Medicaid managed care in 1998, primary mental health services were provided by the managed care structure; however, specialty mental health services were carved out and funded through the public mental health system. Specialty mental health services are defined as meeting certain medical necessity criteria using accepted diagnostic tools.

The carved-out system is overseen by MHA, although it contracts with an administrative services organization, Maryland Health Partners, to administer the system.

Additional Information

Prior Introductions: None.

Cross File: SB 756 (Senator Middleton, *et al.*) – Finance.

Information Source(s): Department of Health and Mental Hygiene (Mental Hygiene Administration, Medicaid), Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2004
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