
By: **Senator Middleton**

Introduced and read first time: February 4, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Community Services Reimbursement Rate Commission - Termination Date**
3 **Extension and Modifications**

4 FOR the purpose of extending the termination date for the Community Services
5 Reimbursement Rate Commission; authorizing the Governor, with the advice
6 and consent of the Senate, to appoint a certain number of members of the
7 Commission for a fourth consecutive term beginning on a certain date; requiring
8 the Commission to study the variation in certain costs and recommend whether
9 the rates should include certain adjustments; requiring the Commission to
10 review the changes in certain payments and the utilization of certain services;
11 requiring the Mental Hygiene Administration and the Developmental
12 Disabilities Administration to provide to the Commission at a certain time
13 copies of any new and altered regulations regarding payment rates for
14 community services; altering the dates for the submission of certain reports;
15 altering the definition of a certain term so as to exclude certain costs from
16 certain considerations; and generally relating to the Community Services
17 Reimbursement Rate Commission.

18 BY repealing and reenacting, with amendments,
19 Article - Health - General
20 Section 13-801, 13-803, 13-806, and 13-810
21 Annotated Code of Maryland
22 (2000 Replacement Volume and 2004 Supplement)

23 BY repealing and reenacting, without amendments,
24 Article - Health - General
25 Section 13-802, 13-804, 13-805, 13-807, 13-808, and 13-809
26 Annotated Code of Maryland
27 (2000 Replacement Volume and 2004 Supplement)

28 BY repealing and reenacting, with amendments,
29 Chapter 566 of the Acts of the General Assembly of 1999, as amended by
30 Chapter 370 of the Acts of the General Assembly of 2002
31 Section 2

1 BY repealing and reenacting, with amendments,
2 Chapter 593 of the Acts of the General Assembly of 1996, as amended by
3 Chapter 566 of the Acts of the General Assembly of 1999 and Chapter 370
4 of the Acts of the General Assembly of 2002
5 Section 3

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

8 **Article - Health - General**

9 13-801.

10 (a) In this subtitle the following words have the meanings indicated.

11 (b) "Commission" means the Community Services Reimbursement Rate
12 Commission.

13 (c) "Consumer safety costs" means the costs incurred by a provider for care
14 that is provided to comply with any regulatory requirements in the staffing or
15 manner of care provided, including[:

16 (1) 24-hour overnight awake supervision; and

17 (2) Other] cost factors related to health and safety that are stated in the
18 care plan required for an individual.

19 (d) "Provider" means a community-based agency or program funded:

20 (1) By the Developmental Disabilities Administration to serve
21 individuals with developmental disabilities; or

22 (2) By the Mental Hygiene Administration to serve individuals with
23 mental disorders.

24 (e) "Rate" means the reimbursement rate paid by the Department to a
25 provider from State general funds, Maryland Medical Assistance Program funds,
26 other State or federal funds, or a combination of those funds.

27 13-802.

28 (a) There is a Community Services Reimbursement Rate Commission.

29 (b) The Commission is an independent unit that functions in the Department.

30 13-803.

31 (a) The Commission shall consist of seven members appointed by the
32 Governor with the advice and consent of the Senate.

1 (b) Of the seven members, four shall be individuals who do not have any
2 connection with the management or policy of any provider.

3 (c) Each member appointed to the Commission shall be interested in ensuring
4 high quality community-based services for individuals with developmental
5 disabilities or mental disorders.

6 (d) (1) The term of a member is 3 years.

7 (2) If a vacancy occurs during the term of a member, the Governor shall
8 appoint a successor who will serve until the term expires.

9 (3) Except as provided in paragraph (4) of this subsection, a member who
10 serves two consecutive full 3-year terms may not be reappointed for 3 years after
11 completion of those terms.

12 (4) The Governor may, with the advice and consent of the Senate,
13 appoint up to three members serving on the Commission as of January 1, [2002] 2005
14 to serve a [third] FOURTH consecutive 3-year term beginning October 1, [2002] 2005.
15 13-804.

16 Each year, from among the members of the Commission:

17 (1) The Governor shall appoint a chairman; and

18 (2) The chairman shall appoint a vice chairman.

19 13-805.

20 (a) A quorum of the Commission is four members.

21 (b) The Commission shall meet at least four times a year at the times and
22 places that it determines.

23 (c) A member of the Commission:

24 (1) May not receive compensation for duties performed as a member of
25 the Commission; but

26 (2) Is entitled to reimbursement for expenses under the Standard State
27 Travel Regulations, as provided in the State budget.

28 (d) The Commission may employ staff and expend funds to carry out its duties
29 and responsibilities under this subtitle in accordance with the State budget.

30 13-806.

31 (a) The Commission shall assess:

1 (1) The extent and amount of uncompensated care delivered by
2 providers;

3 (2) The relationship of changes in wages paid by providers to changes in
4 rates paid by the Department, including the source of revenue for wages paid by
5 providers;

6 (3) The ability of providers to operate on a solvent basis in the delivery of
7 effective and efficient services that are in the public interest;

8 (4) The incentives and disincentives:

9 (i) Incorporated in the rate setting methodologies utilized and
10 proposed by the Mental Hygiene Administration and the Developmental Disabilities
11 Administration; and

12 (ii) In alternative methodologies;

13 (5) Measures of quality and how incentives to provide quality care can be
14 built into a rate setting methodology;

15 (6) The impact of consumer safety costs and whether the rates have been
16 adjusted to provide for consumer safety costs; and

17 (7) Other rate system issues determined by the Commission to be
18 appropriate.

19 (b) The Commission shall:

20 (1) Develop methodologies for calculating rate update factors for rates
21 paid by the Developmental Disabilities Administration and the Mental Hygiene
22 Administration and recommend annual rate update factors that use the
23 methodologies that are developed;

24 (2) [Review] WITH RESPECT TO THE DEVELOPMENTAL DISABILITIES
25 ADMINISTRATION:

26 (I) REVIEW the data reported in the Developmental Disabilities
27 Administration annual cost reports and use the data to develop relative performance
28 measures of providers; AND

29 (II) STUDY THE VARIATION IN TRANSPORTATION COSTS AMONG
30 PROVIDERS OF SERVICES TO INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES,
31 AND RECOMMEND WHETHER THE RATES SHOULD INCLUDE AN ADJUSTMENT FOR
32 SUCH COSTS;

33 (3) [Work] WITH RESPECT TO THE MENTAL HYGIENE ADMINISTRATION:

34 (I) WORK with the Mental Hygiene Administration to expand the
35 use of any billing data collected by a third party administrator for the public mental
36 health system in order to evaluate performance; AND

1 (II) REVIEW THE CHANGES IN THE PAYMENTS FOR AND
2 UTILIZATION OF PSYCHIATRIC REHABILITATION SERVICES ASSOCIATED WITH THE
3 SHIFT TO PAYING FOR THESE SERVICES BY MEANS OF CASE RATES; and

4 (4) Evaluate proposed regulatory changes by the Department, the
5 Developmental Disabilities Administration, and the Mental Hygiene Administration
6 that affect the rates paid or the rate structure.

7 13-807.

8 (a) In addition to the powers and duties provided elsewhere in this subtitle,
9 the Commission may:

10 (1) Recommend the adoption of regulations to carry out the provisions of
11 this subtitle;

12 (2) Create committees from among its members;

13 (3) Appoint advisory committees that may include individuals and
14 representatives of interested public and private organizations;

15 (4) Publish and distribute information that relates to the financial
16 aspects of community-based developmental disability or mental health services; and

17 (5) Subject to the limitations of this subtitle, exercise any other power
18 that is reasonably necessary to carry out the purposes of this subtitle.

19 (b) The Commission shall have timely access to information from the
20 Executive Branch required to fulfill the responsibilities of the Commission under this
21 subtitle, including information from the Developmental Disabilities Administration
22 and the Mental Hygiene Administration.

23 13-808.

24 (a) The power of the Secretary over plans, proposals, and projects of units in
25 the Department does not include the power to disapprove or modify a decision or
26 determination that the Commission makes under authority specifically designated to
27 the Commission by law.

28 (b) The power of the Secretary to transfer by rule, regulation, or written
29 directive any staff, function, or funds of units in the Department does not apply to any
30 staff, function, or funds of the Commission.

31 13-809.

32 On or before October 1 of each year, the Commission shall issue a report to the
33 Governor, the Secretary, and, subject to § 2-1246 of the State Government Article, the
34 General Assembly that:

35 (1) Describes its findings regarding:

- 1 (i) The relationship of changes in wages paid by providers to
2 changes in rates paid by the Department;
- 3 (ii) The financial condition of providers and the ability of providers
4 to operate on a solvent basis in the delivery of effective and efficient services that are
5 in the public interest;
- 6 (iii) The incentives and disincentives incorporated in the rate
7 setting methodologies utilized and proposed by the Mental Hygiene Administration
8 and the Developmental Disabilities Administration and how the methodologies might
9 be improved;
- 10 (iv) How incentives to provide quality of care can be built into a rate
11 setting methodology; and
- 12 (v) The recommended methodologies for the calculation of rate
13 update factors and the rate update factors recommended for the next succeeding
14 fiscal year.
- 15 (2) Recommends the need for any formal executive, judicial, or
16 legislative action;
- 17 (3) Describes issues in need of future study by the Commission; and
- 18 (4) Discusses any other matter that relates to the purposes of the
19 Commission under this subtitle.

20 13-810.

- 21 (a) The findings and recommendations of the Commission shall be considered
22 each year in the development of the budgets of the Department, the Developmental
23 Disabilities Administration, and the Mental Hygiene Administration.
- 24 (b) (1) The Mental Hygiene Administration and the Developmental
25 Disabilities Administration shall respond to the recommendations of the Commission
26 in writing within 30 days after the report required in § 13-809 of this subtitle has
27 been issued.
- 28 (2) The written response of the Mental Hygiene Administration and the
29 Developmental Disabilities Administration shall include:
- 30 (i) An explanation of the actions being taken to implement the
31 recommendations of the Commission; or
- 32 (ii) An explanation of why no action has been taken on the
33 recommendations of the Commission.
- 34 (C) THE MENTAL HYGIENE ADMINISTRATION AND THE DEVELOPMENTAL
35 DISABILITIES ADMINISTRATION SHALL PROVIDE TO THE COMMISSION, IN ADVANCE
36 OF OR AT THE SAME TIME AS THEY ARE PROVIDED TO THE PUBLIC, COPIES OF ANY

1 NEW OR REVISED REGULATIONS REGARDING PAYMENT RATES FOR COMMUNITY
2 SERVICES.

3 **Chapter 566 of the Acts of 1999, as amended by Chapter 370 of the Acts of**
4 **2002**

5 SECTION 2. AND BE IT FURTHER ENACTED, That, in the reports due on or
6 before October 1, [2002] 2005 and October 1, [2005] 2008 under § 13-809 of the
7 Health - General Article, the Commission shall include its findings regarding the
8 extent and amount of uncompensated care delivered by providers.

9 **Chapter 593 of the Acts of 1996, as amended by Chapter 566 of the Acts of**
10 **1999 and Chapter 370 of the Acts of 2002**

11 SECTION 3. AND BE IT FURTHER ENACTED, That, this Act shall take effect
12 October 1, 1996. It shall remain effective for a period of [9] 12 years and, at the end
13 of September 30, [2005] 2008, with no further action required by the General
14 Assembly, this Act shall be abrogated and of no further force and effect.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2005.