
By: **Senator Middleton**

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Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

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CHAPTER _____

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

1 Annotated Code of Maryland
2 (2000 Replacement Volume and 2004 Supplement)

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

7 BY repealing and reenacting, with amendments,
8 Chapter 593 of the Acts of the General Assembly of 1996, as amended by
9 Chapter 566 of the Acts of the General Assembly of 1999 and Chapter 370
10 of the Acts of the General Assembly of 2002
11 Section 3

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

14 **Article - Health - General**

15 13-801.

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

17 (b) "Commission" means the Community Services Reimbursement Rate
18 Commission.

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

22 (1) 24-hour overnight awake supervision; and

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

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

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

28 (2) By the Mental Hygiene Administration to serve individuals with
29 mental disorders.

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

1 13-802.

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

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

4 13-803.

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

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

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

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

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

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

18 (4) The Governor may, with the advice and consent of the Senate,
19 appoint up to three members serving on the Commission as of January 1, [2002] 2005
20 to serve a [third] FOURTH consecutive 3-year term beginning October 1, [2002] 2005.
21 13-804.

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

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

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

25 13-805.

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

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

29 (c) A member of the Commission:

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

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

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

5 13-806.

6 (a) The Commission shall assess:

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

9 (2) The relationship of changes in wages paid by providers to changes in
10 rates paid by the Department, including the source of revenue for wages paid by
11 providers;

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

14 (4) The incentives and disincentives:

15 (i) Incorporated in the rate setting methodologies utilized and
16 proposed by the Mental Hygiene Administration and the Developmental Disabilities
17 Administration; and

18 (ii) In alternative methodologies;

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

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

23 (7) Other rate system issues determined by the Commission to be
24 appropriate.

25 (b) The Commission shall:

26 (1) Develop methodologies for calculating rate update factors for rates
27 paid by the Developmental Disabilities Administration and the Mental Hygiene
28 Administration and recommend annual rate update factors that use the
29 methodologies that are developed;

30 (2) [Review] WITH RESPECT TO THE DEVELOPMENTAL DISABILITIES
31 ADMINISTRATION:

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

1 (II) STUDY THE VARIATION IN TRANSPORTATION COSTS AMONG
2 PROVIDERS OF SERVICES TO INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES,
3 AND RECOMMEND WHETHER THE RATES SHOULD INCLUDE AN ADJUSTMENT FOR
4 SUCH COSTS;

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

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

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

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

15 13-807.

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

18 (1) Recommend the adoption of regulations to carry out the provisions of
19 this subtitle;

20 (2) Create committees from among its members;

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

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

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

27 (b) The Commission shall have timely access to information from the
28 Executive Branch required to fulfill the responsibilities of the Commission under this
29 subtitle, including information from the Developmental Disabilities Administration
30 and the Mental Hygiene Administration.

31 13-808.

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

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

4 13-809.

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

8 (1) Describes its findings regarding:

9 (i) The relationship of changes in wages paid by providers to
10 changes in rates paid by the Department;

11 (ii) The financial condition of providers and the ability of providers
12 to operate on a solvent basis in the delivery of effective and efficient services that are
13 in the public interest;

14 (iii) The incentives and disincentives incorporated in the rate
15 setting methodologies utilized and proposed by the Mental Hygiene Administration
16 and the Developmental Disabilities Administration and how the methodologies might
17 be improved;

18 (iv) How incentives to provide quality of care can be built into a rate
19 setting methodology; and

20 (v) The recommended methodologies for the calculation of rate
21 update factors and the rate update factors recommended for the next succeeding
22 fiscal year.

23 (2) Recommends the need for any formal executive, judicial, or
24 legislative action;

25 (3) Describes issues in need of future study by the Commission; and

26 (4) Discusses any other matter that relates to the purposes of the
27 Commission under this subtitle.

28 13-810.

29 (a) The findings and recommendations of the Commission shall be considered
30 each year in the development of the budgets of the Department, the Developmental
31 Disabilities Administration, and the Mental Hygiene Administration.

32 (b) (1) The Mental Hygiene Administration and the Developmental
33 Disabilities Administration shall respond to the recommendations of the Commission
34 in writing within 30 days after the report required in § 13-809 of this subtitle has
35 been issued.

1 (2) The written response of the Mental Hygiene Administration and the
2 Developmental Disabilities Administration shall include:

3 (i) An explanation of the actions being taken to implement the
4 recommendations of the Commission; or

5 (ii) An explanation of why no action has been taken on the
6 recommendations of the Commission.

7 (C) THE MENTAL HYGIENE ADMINISTRATION AND THE DEVELOPMENTAL
8 DISABILITIES ADMINISTRATION SHALL PROVIDE TO THE COMMISSION, IN ADVANCE
9 OF OR AT THE SAME TIME AS THEY ARE PROVIDED TO THE PUBLIC, COPIES OF ANY
10 NEW OR REVISED REGULATIONS REGARDING PAYMENT RATES FOR COMMUNITY
11 SERVICES.

12 **Chapter 566 of the Acts of 1999, as amended by Chapter 370 of the Acts of**
13 **2002**

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

18 **Chapter 593 of the Acts of 1996, as amended by Chapter 566 of the Acts of**
19 **1999 and Chapter 370 of the Acts of 2002**

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

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