

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 831

(Senator Teitelbaum, *et al.*)

Finance

Health and Government Operations

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**Department of Health and Mental Hygiene - Licenses and Eligibility for State  
Funding - Minimum Standards**

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This bill specifies eligibility requirements for licensure or State funding for an entity that provides either developmental disability services or mental health services.

The bill takes effect July 1, 2005.

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**Fiscal Summary**

**State Effect:** The bill's requirements could be handled with existing Department of Health and Mental Hygiene (DHMH) resources. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:**

*Developmental Disability Service Providers*

The bill specifies that: (1) at least 75% of a licensee's governing body must be State residents or reside within a 100-mile radius of the licensee's administrative offices; and (2) no employee or immediate family member of a licensee may be a voting member of the governing body unless the employee receives services from the licensee of the

Developmental Disabilities Administration (DDA) approves the composition or the governing body. The residency requirement may be waived if a community-based advisory board or committee is established by the licensee and approved by DHMH.

A licensure applicant must submit to DHMH: (1) a business plan demonstrating the ability to provide services; (2) summary of the applicant's demonstrated experience in the field of developmental disabilities; (3) prior licensure reports issued within the last 10 years, including deficiency reports; and (4) a written quality assurance plan, approved by DDA, to address how the applicant will ensure the health and safety of individuals served by the applicant.

DDA may deny a license to any entity that has had a license revoked by DHMH within the last 10 years or to any entity that has a corporate officer who has served as a corporate officer for an entity that has had a license revoked within the last 10 years.

#### *Community Mental Health Service Providers*

As a condition of receiving State funding, a nonprofit organization or private community-based organization that provides mental health services must submit the following to DHMH: (1) a written list of the members of the board of directors and corporate officers; (2) a business plan that demonstrates the ability of the organization to provide services; (3) a summary of the organization's demonstrated experience in the mental health field; (4) prior licensure reports issued within the last 10 years, including deficiency reports; and (5) a written quality assurance plan, approved by the Mental Hygiene Administration, to address how the applicant will ensure the health and safety of individuals served by the applicant.

An employee's immediate family member may not serve as a voting member of the organization's governing body, and a member of the governing body may not have served as a member of a governing body of an organization that has had a license revoked by DHMH within the last 10 years. DHMH must perform an onsite investigation of the organization before determining the organization is eligible to receive State funds.

**Current Law:** DHMH must adopt rules and regulations for the licensure of services for an individual with developmental disability or a recipient of individual support services. The rules and regulations must ensure that services are provided in accordance with legislative policy.

DHMH must adopt rules and regulations that set standards for: (1) eligibility for State funding of local mental health programs; (2) qualifications of staff and quality of

professional services of eligible programs; (3) eligibility for receiving services; and (4) accreditation of a facility.

**Background:** There are approximately 3,220 licensed community programs for individuals with developmental disabilities. DDA is in the process of promulgating regulations that require prospective programs to provide DHMH with substantially similar information as required by the bill. There are about 554 community mental health service providers.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 737 (Delegates Costa, *et al.*) – Health and Government Operations.

**Information Source(s):** Department of Health and Mental Hygiene (Office of Health Care Quality, Developmental Disabilities Administration, Mental Hygiene Administration), Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 2005  
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