

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

**FISCAL AND POLICY NOTE**

Senate Bill 577

(Senator Middleton)

Finance

Health and Government Operations

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

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This bill extends the termination date for the Community Services Reimbursement Rate Commission from September 30, 2005 to September 30, 2008 and extends the commission's reporting deadline to October 1, 2008. The bill requires the commission, with respect to the Developmental Disabilities Administration (DDA), to study the variation in transportation costs among service providers and recommend whether the rates should be adjusted for such costs. With respect to the Mental Hygiene Administration (MHA), the commission must review the changes in the payments for and utilization of psychiatric rehabilitation services associated with the shift to paying for these services by case rates. DDA and MHA must provide the commission with copies of any new or revised regulations regarding community services payment rates. The bill also repeals part of a definition that includes 24-hour overnight awake supervision as a consumer safety cost.

The bill takes effect July 1, 2005.

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**Fiscal Summary**

**State Effect:** General fund expenditures would be maintained for the commission beyond FY 2006. The commission's FY 2006 budget allowance is \$180,972. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law:** The commission is an independent unit that functions within the Department of Health and Mental Hygiene (DHMH); it terminates September 30, 2005. In reports due by October 1, 2002 and October 1, 2005, the commission must include its findings regarding the extent and amount of uncompensated care delivered by providers.

The commission must: (1) develop methodologies for calculating DDA and MHA rate update factors; (2) review data in DDA annual cost reports and use data to develop relative performance measures of providers; (3) work with MHA to expand the use of any billing data collected by a third-party administrator for the public mental health system to evaluate performance; and (4) evaluate proposed regulatory changes by DHMH, DDA, and MHA that affect the rates paid or the rate structure.

The commission must issue a report annually by October 1 to the Governor, the Secretary of Health and Mental Hygiene, and the General Assembly that: describes its findings, including the relationship of changes in wages paid by providers to changes in rates paid by DHMH; recommends the need for any formal executive, judicial, or legislative action; describes issues in need of future study by the commission; and discusses any other matter that relates to the purposes of the commission.

The commission's findings and recommendations must be considered annually in developing the budgets of DHMH, DDA, and MHA.

Consumer safety costs are the costs incurred by a provider for care that is provided to comply with any regulatory requirements in the staffing or manner of care provided, including 24-hour overnight awake supervision and other cost factors related to health and safety that are stated in the care plan required for the individual.

**State Fiscal Effect:** General fund expenditures for the commission will be maintained beyond fiscal 2006 because the bill proposes to continue the commission. The fiscal 2006 budget allowance for the commission is \$180,972. Future years assume the commission terminating September 30, 2008. No effect on general fund revenues.

It cannot be reliably determined at this time whether DDA provider rates would increase if the commission, as a result of this bill, recommended adjusting the rates based on the variation in transportation costs among service providers. DDA advises that it has already begun examining providers' transportation data.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 896 (Delegate Hubbard) – Health and Government Operations.

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

**Fiscal Note History:** First Reader - March 1, 2005  
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