
By: **Senators Kelley, Astle, Della, Exum, Garagiola, Gladden, Hafer,
Hollinger, Hooper, Klausmeier, Lawlah, Middleton, Pipkin, and
Teitelbaum**

Introduced and read first time: February 3, 2006
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
Read second time: March 24, 2006

CHAPTER _____

1 AN ACT concerning

2 **Maryland Medical Assistance Program - Medical Day Care - Reimbursement**
3 **Rates**

4 FOR the purpose of requiring that the reimbursement rates for medical day care be
5 adjusted by a certain index annually; prohibiting certain adjustments to a
6 certain reimbursement rate from exceeding a certain percentage on a certain
7 basis; requiring the Department of Health and Mental Hygiene to study the
8 impact of certain costs on the providers of medical adult day care services to
9 make certain determinations; requiring the Department to submit a certain
10 report to certain committees of the General Assembly on or before a certain date;
11 providing for the application of this Act; and generally relating to
12 reimbursement rates for medical day care services through the Maryland
13 Medical Assistance Program.

14 BY repealing and reenacting, with amendments,
15 Article - Health - General
16 Section 15-111
17 Annotated Code of Maryland
18 (2005 Replacement Volume and 2005 Supplement)

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

1

Article - Health - General

2 15-111.

3 (a) The Department may authorize reimbursement of a licensed day care
4 center for the elderly or medically handicapped adults for medical care that the center
5 provides to a Program recipient who is certified as requiring nursing home care.

6 (b) (1) Reimbursement under this section is subject to the availability of
7 federal funds.

8 (2) The reimbursement rate for medical day care:

9 (i) [May not exceed a maximum per diem rate established by
10 regulation of the Department] **SHALL BE ADJUSTED ANNUALLY BY ADJUSTING THE
11 PER DIEM RATE FOR THE PRECEDING FISCAL YEAR BY THE PERCENTAGE OF THE
12 ANNUAL INCREASE OR DECREASE IN THE MARCH CONSUMER PRICE INDEX FOR ALL
13 URBAN CONSUMERS, MEDICAL CARE COMPONENT, WASHINGTON-BALTIMORE, FROM
14 THE U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS; and**

15 (ii) Shall cover the following:

- 16 1. Administrative overhead;
- 17 2. Drugs, supplies, and equipment;
- 18 3. Food;
- 19 4. Medical services;
- 20 5. Staff; and
- 21 6. Transportation.

22 (3) ANY ADJUSTMENTS TO THE REIMBURSEMENT RATE FOR MEDICAL
23 DAY CARE UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED 5% ON AN
24 ANNUAL BASIS.

25 SECTION 2. AND BE IT FURTHER ENACTED, That:

26 (a) The Department of Health and Mental Hygiene shall study the impact of
27 the costs of rising fuel prices on the providers of medical adult day care services to
28 determine:

29 (1) how much costs increased each year since July 1, 2005; and

30 (2) how much the base per diem rate for reimbursement of medical adult
31 day care providers should be increased to offset the actual fuel cost increases since
32 July 1, 2005.

1 (b) On or before December 15, 2006, the Department of Health and Mental
2 Hygiene shall, in accordance with § 2-1246 of the State Government Article, submit
3 to the Senate Finance Committee and the House Health and Government Operations
4 Committee a report on its findings related to fuel costs for medical adult day care
5 providers.

6 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
7 effect June 1, 2006, and shall be applicable to per diem rates for services provided on
8 or after July 1, ~~2006~~ 2007.