

HOUSE BILL 1096

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By: **Delegate Hammen**

Introduced and read first time: February 13, 2009

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Health and Mental Hygiene – Substance Abuse Services**

3 FOR the purpose of requiring the Department of Health and Mental Hygiene to
4 establish a delivery system for substance abuse services; requiring the Alcohol
5 and Drug Abuse Administration to design and monitor the delivery system and
6 to provide for a certain reimbursement; requiring the Department to contract
7 with an administrative services organization to provide certain services;
8 requiring the Department to contract with a certain administrative services
9 organization; requiring a certain contract to contain a certain requirement;
10 requiring the Department to convene a certain workgroup to examine and make
11 recommendations regarding a redesign of the State's delivery of substance
12 abuse services; requiring the workgroup to examine certain issues; requiring
13 the workgroup to submit a certain report to the General Assembly on or before a
14 certain date; requiring the Alcohol and Drug Abuse Administration to conduct a
15 certain survey and provide certain information to the workgroup on or before a
16 certain date; providing for a delayed effective date for certain provisions of this
17 Act; and generally relating to the Department of Health and Mental Hygiene
18 and the provision of substance abuse services.

19 BY repealing and reenacting, without amendments,
20 Article – Health – General
21 Section 15–103(a)(1) and (b)(21)
22 Annotated Code of Maryland
23 (2005 Replacement Volume and 2008 Supplement)

24 BY adding to
25 Article – Health – General
26 Section 15–103(b)(31)
27 Annotated Code of Maryland
28 (2005 Replacement Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article - Health - General**

4 15-103.

5 (a) (1) The Secretary shall administer the Maryland Medical Assistance
6 Program.

7 (b) (21) (i) The Department shall establish a delivery system for
8 specialty mental health services for enrollees of managed care organizations.

9 (ii) The Mental Hygiene Administration shall:

10 1. Design and monitor the delivery system;

11 2. Establish performance standards for providers in the
12 delivery system; and

13 3. Establish procedures to ensure appropriate and
14 timely referrals from managed care organizations to the delivery system that include:

15 A. Specification of the diagnoses and conditions eligible
16 for referral to the delivery system;

17 B. Training and clinical guidance in appropriate use of
18 the delivery system for managed care organization primary care providers;

19 C. Preauthorization by the utilization review agent of
20 the delivery system; and

21 D. Penalties for a pattern of improper referrals.

22 (iii) The Department shall collaborate with managed care
23 organizations to develop standards and guidelines for the provision of specialty mental
24 health services.

25 (iv) The delivery system shall:

26 1. Provide all specialty mental health services needed by
27 enrollees;

28 2. For enrollees who are dually diagnosed, coordinate
29 the provision of substance abuse services provided by the managed care organizations
30 of the enrollees;

1 3. Consist of a network of qualified mental health
2 professionals from all core disciplines;

3 4. Include linkages with other public service systems;
4 and

5 5. Comply with quality assurance, enrollee input, data
6 collection, and other requirements specified by the Department in regulation.

7 (v) The Department may contract with a managed care
8 organization for delivery of specialty mental health services if the managed care
9 organization meets the performance standards adopted by the Department in
10 regulations.

11 (vi) The provisions of § 15–1005 of the Insurance Article apply to
12 the delivery system for specialty mental health services established under this
13 paragraph and administered by an administrative services organization.

14 **(31) (I) THE DEPARTMENT SHALL ESTABLISH A DELIVERY**
15 **SYSTEM FOR SUBSTANCE ABUSE SERVICES.**

16 **(II) THE ALCOHOL AND DRUG ABUSE ADMINISTRATION**
17 **SHALL:**

18 **1. DESIGN AND MONITOR THE DELIVERY SYSTEM;**
19 **AND**

20 **2. REIMBURSE PROVIDERS ON A FEE-FOR-SERVICE**
21 **BASIS AT A UNIFORM RATE AS DETERMINED BY THE DEPARTMENT.**

22 **(III) THE DEPARTMENT SHALL CONTRACT WITH AN**
23 **ADMINISTRATIVE SERVICES ORGANIZATION TO PROVIDE:**

24 **1. ELIGIBILITY VERIFICATION;**

25 **2. CLAIMS PAYMENT;**

26 **3. PRIOR AUTHORIZATION SERVICES; AND**

27 **4. INFORMATION EXCHANGE COORDINATION**
28 **BETWEEN MANAGED CARE ORGANIZATIONS AND LOCAL HEALTH DEPARTMENTS.**

29 **(IV) 1. WHEN SOLICITING BIDS FOR THE CONTRACT**
30 **WITH THE ADMINISTRATIVE SERVICES ORGANIZATION UNDER SUBPARAGRAPH**
31 **(III) OF THIS PARAGRAPH, THE DEPARTMENT SHALL USE THE SAME**

1 **ADMINISTRATIVE SERVICES ORGANIZATION THAT PROVIDES SPECIALTY**
2 **MENTAL HEALTH SERVICES UNDER PARAGRAPH (21) OF THIS SUBSECTION.**

3 **2. THE CONTRACT WITH THE ADMINISTRATIVE**
4 **SERVICES ORGANIZATION TO PROVIDE SUBSTANCE ABUSE SERVICES SHALL**
5 **REQUIRE THE ORGANIZATION TO BILL THE MEDICAL ASSISTANCE PROGRAM**
6 **FOR SUBSTANCE ABUSE SERVICES PROVIDED TO INDIVIDUALS WHO ARE**
7 **ENROLLED IN THE PROGRAM.**

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

9 (a) the Department of Health and Mental Hygiene shall convene a
10 workgroup consisting of providers, local drug and alcohol abuse councils, and other
11 interested stakeholders, to examine and make recommendations regarding a redesign
12 of the State's delivery of substance abuse services;

13 (b) the workgroup shall examine the role of the Alcohol and Drug Abuse
14 Administration in providing benefits to individuals in the State, including:

15 (1) the provision of benefits on a fee-for-service basis through an
16 administrative services organization rather than through a grant-funded system;

17 (2) the benefit package and the financial level at which individuals
18 who are not eligible for the Medical Assistance Program should be eligible for benefits
19 through the Alcohol and Drug Abuse Administration;

20 (3) the role of local drug and alcohol abuse councils under a
21 fee-for-service system; and

22 (4) the provision of benefits to the forensic population under a
23 redesigned system; and

24 (c) on or before December 1, 2009, the Department shall submit the
25 workgroup's findings and recommendations to the General Assembly, in accordance
26 with § 2-1246 of the State Government Article.

27 SECTION 3. AND BE IT FURTHER ENACTED, That the Alcohol and Drug
28 Abuse Administration shall survey the local drug and alcohol abuse councils to
29 determine the substance abuse benefits provided in their jurisdiction and the financial
30 eligibility requirements for individuals to receive substance abuse benefits in their
31 jurisdiction. The Alcohol and Drug Abuse Administration shall provide this
32 information to the workgroup established under Section 2 of this Act, on or before
33 September 1, 2009.

34 SECTION 4. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this
35 Act shall take effect July 1, 2009.

1 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in
2 Section 4 of this Act, this Act shall take effect July 1, 2010.