

# SENATE BILL 476

J1  
SB 497/16 – FIN & B&T

7lr0593  
CF HB 580

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By: **Senators Guzzone, Zucker, Astle, Benson, Conway, Currie, DeGrange, Eckardt, Feldman, Ferguson, Kagan, Kasemeyer, Kelley, King, Klausmeier, Lee, Madaleno, Manno, Mathias, McFadden, Middleton, Muse, Nathan–Pulliam, Peters, Pinsky, Ramirez, Robinson, Rosapepe, Serafini, Smith, Waugh, Young, and Zirkin**

Introduced and read first time: January 30, 2017

Assigned to: Finance and Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Behavioral Health Community Providers – Keep the Door Open Act**

3 FOR the purpose of requiring, except under certain circumstances, the Department of  
4 Health and Mental Hygiene to adjust the rate of reimbursement for certain  
5 community providers each fiscal year by the rate adjustment included in a certain  
6 State budget; requiring that the Governor’s proposed budget for a certain fiscal year,  
7 and for each fiscal year thereafter, include rate adjustments for certain community  
8 providers based on the funding provided in certain legislative appropriations;  
9 requiring that a certain rate of adjustment equal the average annual percentage  
10 change in a certain Consumer Price Index for a certain period; requiring, under  
11 certain circumstances, managed care organizations to pay a certain rate for a certain  
12 time period for services provided by community providers and to adjust the rate of  
13 reimbursement for community providers each fiscal year by at least a certain  
14 amount; defining certain terms; providing for the application of this Act; requiring  
15 the Department to submit a certain report to the Governor and the General  
16 Assembly on or before a certain date each year, beginning on or before a certain date;  
17 authorizing the Department to require certain community providers to submit  
18 certain information to the Department in the form and manner required by the  
19 Department; and generally relating to the rate of reimbursement for behavioral  
20 health community providers.

21 BY adding to

22 Article – Health – General

23 Section 16–201.3

24 Annotated Code of Maryland

25 (2015 Replacement Volume and 2016 Supplement)

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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 MARYLAND,  
2 That the Laws of Maryland read as follows:

3 **Article – Health – General**

4 **16–201.3.**

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
6 INDICATED.

7 (2) “COMMUNITY PROVIDER” MEANS A COMMUNITY–BASED AGENCY  
8 OR PROGRAM FUNDED BY THE BEHAVIORAL HEALTH ADMINISTRATION OR THE  
9 MEDICAL CARE PROGRAMS ADMINISTRATION TO SERVE INDIVIDUALS WITH  
10 MENTAL DISORDERS, SUBSTANCE–RELATED DISORDERS, OR A COMBINATION OF  
11 THESE DISORDERS.

12 (3) “CONSUMER PRICE INDEX” MEANS THE CONSUMER PRICE INDEX  
13 FOR ALL URBAN CONSUMERS FOR MEDICAL CARE FOR THE  
14 WASHINGTON–BALTIMORE REGION.

15 (4) “RATE” MEANS THE REIMBURSEMENT RATE PAID BY THE  
16 DEPARTMENT TO A COMMUNITY PROVIDER FROM THE STATE GENERAL FUND,  
17 MARYLAND MEDICAL ASSISTANCE PROGRAM FUNDS, OTHER STATE OR FEDERAL  
18 FUNDS, OR A COMBINATION OF THESE FUNDS.

19 (B) THIS SECTION DOES NOT APPLY TO REIMBURSEMENT FOR ANY SERVICE  
20 PROVIDED BY A COMMUNITY PROVIDER WHOSE RATES ARE REGULATED BY THE  
21 HEALTH SERVICES COST REVIEW COMMISSION.

22 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND EXCEPT  
23 AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, THE DEPARTMENT SHALL  
24 ADJUST THE RATE OF REIMBURSEMENT FOR COMMUNITY PROVIDERS EACH FISCAL  
25 YEAR BY THE RATE ADJUSTMENT INCLUDED IN THE STATE BUDGET FOR THAT  
26 FISCAL YEAR.

27 (2) (I) THE GOVERNOR’S PROPOSED BUDGET FOR FISCAL YEAR  
28 2019, AND FOR EACH FISCAL YEAR THEREAFTER, SHALL INCLUDE RATE  
29 ADJUSTMENTS FOR COMMUNITY PROVIDERS BASED ON THE FUNDING PROVIDED IN  
30 THE LEGISLATIVE APPROPRIATION FOR THE IMMEDIATELY PRECEDING FISCAL  
31 YEAR FOR EACH OF THE FOLLOWING:

32 1. OBJECT 08 CONTRACTUAL SERVICES IN PROGRAM  
33 M00Q01.10 MEDICAID BEHAVIORAL HEALTH PROVIDER REIMBURSEMENT  
34 – MEDICAL CARE PROGRAMS ADMINISTRATION;

1                   **2. OBJECT 08 CONTRACTUAL SERVICES IN PROGRAM**  
2 **M00L01.02 COMMUNITY SERVICES – BEHAVIORAL HEALTH ADMINISTRATION; AND**

3                   **3. OBJECT 08 CONTRACTUAL SERVICES IN PROGRAM**  
4 **M00L01.03 COMMUNITY SERVICES FOR MEDICAID STATE FUND RECIPIENTS**  
5 **– BEHAVIORAL HEALTH ADMINISTRATION.**

6                   **(II) A RATE ADJUSTMENT REQUIRED TO BE INCLUDED IN THE**  
7 **GOVERNOR’S PROPOSED BUDGET UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH**  
8 **SHALL EQUAL THE AVERAGE ANNUAL PERCENTAGE CHANGE IN THE CONSUMER**  
9 **PRICE INDEX FOR THE 3–YEAR PERIOD ENDING IN JULY OF THE IMMEDIATELY**  
10 **PRECEDING FISCAL YEAR.**

11                   **(3) THE GOVERNOR’S PROPOSED BUDGET FOR FISCAL YEAR 2019,**  
12 **AND FOR EACH FISCAL YEAR THEREAFTER, FOR COMMUNITY PROVIDERS SHALL BE**  
13 **PRESENTED IN THE SAME MANNER, INCLUDING OBJECT AND PROGRAM**  
14 **INFORMATION, AS IN THE FISCAL YEAR 2018 BUDGET.**

15                   **(D) IF SERVICES PROVIDED BY COMMUNITY PROVIDERS ARE PROVIDED**  
16 **THROUGH MANAGED CARE ORGANIZATIONS, THE MANAGED CARE ORGANIZATIONS**  
17 **SHALL:**

18                   **(1) PAY THE RATE IN EFFECT DURING THE IMMEDIATELY PRECEDING**  
19 **FISCAL YEAR FOR THE FIRST FISCAL YEAR THE MANAGED CARE ORGANIZATIONS**  
20 **PROVIDE THE SERVICES; AND**

21                   **(2) ADJUST THE RATE OF REIMBURSEMENT FOR COMMUNITY**  
22 **PROVIDERS EACH FISCAL YEAR BY AT LEAST THE SAME AMOUNT THAT OTHERWISE**  
23 **WOULD HAVE BEEN REQUIRED UNDER SUBSECTION (C)(2)(II) OF THIS SECTION.**

24                   **(E) (1) ON OR BEFORE DECEMBER 1, 2019, AND ON OR BEFORE**  
25 **DECEMBER 1 EACH YEAR THEREAFTER, THE DEPARTMENT SHALL SUBMIT A**  
26 **REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE**  
27 **GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE IMPACT OF THE**  
28 **REIMBURSEMENT RATE ADJUSTMENT REQUIRED UNDER THIS SECTION ON**  
29 **COMMUNITY PROVIDERS, INCLUDING THE IMPACT ON:**

30                   **(I) THE WAGES AND SALARIES PAID AND THE BENEFITS**  
31 **PROVIDED TO DIRECT CARE STAFF AND LICENSED CLINICIANS EMPLOYED BY**  
32 **COMMUNITY PROVIDERS;**

33                   **(II) THE TENURE AND TURNOVER OF DIRECT CARE STAFF AND**  
34 **LICENSED CLINICIANS EMPLOYED BY COMMUNITY PROVIDERS; AND**

1                   **(III) THE ABILITY OF COMMUNITY PROVIDERS TO RECRUIT**  
2 **QUALIFIED DIRECT CARE STAFF AND LICENSED CLINICIANS.**

3                   **(2) THE DEPARTMENT MAY REQUIRE A COMMUNITY PROVIDER TO**  
4 **SUBMIT, IN THE FORM AND MANNER REQUIRED BY THE DEPARTMENT,**  
5 **INFORMATION THAT THE DEPARTMENT DEEMS NECESSARY FOR COMPLETION OF**  
6 **THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

7                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
8 1, 2017.