

# SENATE BILL 482

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By: **Senators Kelley, Augustine, Beidle, Benson, Feldman, Jennings, Klausmeier, Kramer, and Reilly**

Introduced and read first time: February 4, 2019

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Assistance Program – Managed Care Organizations –**  
3 **Behavioral Health Services**

4 FOR the purpose of requiring the Maryland Department of Health, subject to certain  
5 limitations, to provide reimbursement for certain medically necessary and  
6 appropriate behavioral health services to managed care organizations; repealing a  
7 requirement that the Department provide certain reimbursement for certain  
8 services; requiring managed care organizations to provide behavioral health services  
9 beginning on a certain date; requiring the Secretary of Health to include in certain  
10 capitation payments funding for community provider rates; requiring the  
11 Department, rather than the Behavioral Health Administration, to design and  
12 monitor a certain delivery system and establish performance standards for managed  
13 care organizations, rather than providers, in the delivery system; requiring the  
14 Department to establish procedures to ensure that certain referrals include  
15 specification of certain diagnoses and conditions and a certain preauthorization;  
16 requiring managed care organizations, rather than a certain delivery system, to  
17 provide certain specialty mental health services needed by certain enrollees,  
18 coordinate certain services, consist of a network of certain professionals, include  
19 certain linkages, and comply with certain other requirements; repealing the  
20 authority of the Department to contract with a certain managed care organization  
21 for the delivery of certain health services under certain circumstances; requiring the  
22 Department to implement a certain delivery system on or before a certain date;  
23 defining a certain term; and generally relating to behavioral health services in the  
24 Maryland Medical Assistance Program.

25 BY repealing and reenacting, without amendments,  
26 Article – Health – General  
27 Section 15–101(a) and 15–103(b)(1) and (2)(i) and (iii)  
28 Annotated Code of Maryland  
29 (2015 Replacement Volume and 2018 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to  
2 Article – Health – General  
3 Section 15–101(a–1)  
4 Annotated Code of Maryland  
5 (2015 Replacement Volume and 2018 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article – Health – General  
8 Section 15–101(a–1) and (a–2) and 15–103(b)(2)(ii), (9)(xi), (18), and (21)  
9 Annotated Code of Maryland  
10 (2015 Replacement Volume and 2018 Supplement)

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

13 **Article – Health – General**

14 15–101.

15 (a) In this title the following words have the meanings indicated.

16 **(A–1) (1) “BEHAVIORAL HEALTH SERVICES” MEANS PREVENTION,**  
17 **SCREENING, EARLY INTERVENTION, TREATMENT, RECOVERY, SUPPORT, AND**  
18 **REHABILITATION SERVICES FOR INDIVIDUALS WITH SUBSTANCE–RELATED**  
19 **DISORDERS, ADDICTIVE DISORDERS, MENTAL DISORDERS, OR A COMBINATION OF**  
20 **THESE DISORDERS.**

21 **(2) “BEHAVIORAL HEALTH SERVICES” INCLUDES:**

22 **(I) PRIMARY MENTAL HEALTH SERVICES; AND**

23 **(II) SPECIALTY MENTAL HEALTH SERVICES.**

24 **[(a–1)] (A–2) “Dental managed care organization” means a pre–paid dental**  
25 **plan that receives fees to manage dental services.**

26 **[(a–2)] (A–3) “Dental services” means diagnostic, emergency, preventive, and**  
27 **therapeutic services for oral diseases.**

28 15–103.

29 (b) (1) As permitted by federal law or waiver, the Secretary may establish a  
30 program under which Program recipients are required to enroll in managed care  
31 organizations.

1           (2) (i) The benefits required by the program developed under  
2 paragraph (1) of this subsection shall be adopted by regulation and shall be equivalent to  
3 the benefit level required by the Maryland Medical Assistance Program on January 1, 1996.

4           (ii) Subject to the limitations of the State budget and as permitted  
5 by federal law or waiver, the Department shall provide reimbursement for medically  
6 necessary and appropriate inpatient, intermediate care, and [halfway house substance  
7 abuse treatment services for substance abusing enrollees 21 years of age or older who are  
8 recipients of temporary cash assistance under the Family Investment Program]  
9 **BEHAVIORAL HEALTH SERVICES.**

10           (iii) Each managed care organization participating in the program  
11 developed under paragraph (1) of this subsection shall provide or arrange for the provision  
12 of the benefits described in subparagraph (ii) of this paragraph.

13           (9) Each managed care organization shall:

14           (xi) Provide or arrange to provide primary mental health services  
15 **AND, BEGINNING JANUARY 1, 2021, BEHAVIORAL HEALTH SERVICES;**

16           (18) (i) The Department shall make capitation payments to each  
17 managed care organization as provided in this paragraph.

18           (ii) In consultation with the Insurance Commissioner, the Secretary  
19 shall:

20                   1. Set capitation payments at a level that is actuarially  
21 adjusted to the benefits provided; [and]

22                   2. Actuarially adjust the capitation payments to reflect the  
23 relative risk assumed by the managed care organization; **AND**

24                   **3. IN ACCORDANCE WITH § 16-201.3 OF THIS ARTICLE,**  
25 **INCLUDE IN THE CAPITATION PAYMENTS FUNDING FOR COMMUNITY PROVIDER**  
26 **RATES.**

27           (iii) In actuarially adjusting capitation payments under  
28 subparagraph (ii)2 of this paragraph, the Secretary, in consultation with the Insurance  
29 Commissioner, shall take into account, to the extent allowed under federal law, the  
30 expenses incurred by the managed care organization applicable to the business of providing  
31 care to enrolled individuals.

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

34           (ii) The [Behavioral Health Administration] **DEPARTMENT** shall:

1 1. Design and monitor the delivery system;

2 2. Establish performance standards for [providers]  
3 **MANAGED CARE ORGANIZATIONS** in the delivery system; and

4 3. Establish procedures to ensure appropriate and timely  
5 referrals from managed care organizations [to the delivery system] that include:

6 A. Specification of the diagnoses and conditions [eligible for  
7 referral to the delivery system];

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

10 C. Preauthorization [by the utilization review agent of the  
11 delivery system] **BY THE MANAGED CARE ORGANIZATION**; and

12 D. Penalties for a pattern of improper referrals.

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

16 (iv) The [delivery system] **MANAGED CARE ORGANIZATIONS** shall:

17 1. Provide all specialty mental health services needed by  
18 enrollees;

19 2. For enrollees who are dually diagnosed, coordinate the  
20 provision of substance abuse services provided by the managed care organizations of the  
21 enrollees;

22 3. Consist of a network of qualified [mental] **BEHAVIORAL**  
23 health professionals from all core disciplines;

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

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

27 (v) [The Department may contract with a managed care  
28 organization for delivery of specialty mental health services if the managed care  
29 organization meets the performance standards adopted by the Department in regulations.

30 (vi) The provisions of § 15–1005 of the Insurance Article apply to the

1 delivery system for specialty mental health services established under this paragraph and  
2 administered by an administrative services organization.

3 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 1, 2021,  
4 the Maryland Department of Health shall implement the delivery system established under  
5 Section 1 of this Act.

6 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
7 1, 2019.