

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 971

(Delegate Kipke)

Health and Government Operations

Finance

Maryland Medical Assistance Program - Substance Use Disorder Treatment - Network Adequacy

This emergency bill requires the Maryland Department of Health (MDH) and the Behavioral Health Administration (BHA) to ensure that the specialty mental health system has an adequate network of providers available to provide substance use disorder (SUD) treatment for children younger than age 18.

Fiscal Summary

State Effect: Likely no effect in FY 2022. MDH general fund expenditures increase by an estimated \$500,000 in FY 2023 for a contractor to perform a network adequacy assessment. To the extent the assessment indicates that additional providers are needed, general fund expenditures increase by an additional indeterminate amount beginning as early as FY 2023, as discussed below; if MDH increases Medicaid rates to attract additional providers, federal fund revenues and expenditures increase.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
FF Revenue	\$0	-	-	-	-
GF Expenditure	\$500,000	-	-	-	-
FF Expenditure	\$0	-	-	-	-
Net Effect	(\$500,000)	(-)	(-)	(-)	(-)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: MDH must establish a delivery system for specialty mental health services for Medicaid managed care organization (MCO) enrollees. BHA must design and monitor the delivery system, establish performance standards for providers, and establish procedures to ensure appropriate and timely referrals from MCOs to the delivery system. MDH must collaborate with MCOs to develop standards and guidelines for the provision of specialty mental health services. MDH may contract with an MCO for delivery of specialty mental health services if the MCO meets performance standards adopted by MDH in regulations.

The delivery system must (1) provide all specialty mental health services needed by enrollees; (2) for enrollees who are dually diagnosed, coordinate the provision of substance abuse services provided by MCOs; (3) consist of a network of qualified mental health professionals from all core disciplines; (4) include linkages with other public service systems; and (5) comply with quality assurance, enrollee input, data collection, and other requirements specified by MDH in regulation.

State Fiscal Effect: MDH advises that the specialty mental system operates under an “any willing provider” model. Specialized SUD services are managed through the administrative service organization’s fee-for-service model from the referral to the authorization and overall utilization management process.

MDH advises that, to ensure that the specialty mental health system has an adequate network of SUD providers for those younger than age 18, the department must complete a network adequacy assessment, including an assessment of the number and type of providers needed and any potential barriers preventing providers from joining the network. Thus, MDH general fund expenditures increase by an estimated \$500,000 in fiscal 2023 to contract with a consultant to conduct such an assessment.

To the extent that the assessment indicates that the network requires additional providers, Medicaid and BHA may need to consider Medicaid rate increases (general and federal funds), general fund grant funding, or other incentives to bring in additional SUD providers that treat individuals younger than age 18. These efforts likely result in an increase in expenditures beginning as early as fiscal 2023. Actual expenditures depend on the outcome of the assessment and cannot be reliably estimated at this time. To the extent Medicaid rate increases are provided, federal fund revenues and expenditures also increase but not likely until fiscal 2024.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2022

rh/ljm Third Reader - March 21, 2022

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