HOUSE BILL 743

5lr2124 CF SB 592

By: **Delegate Bagnall** Introduced and read first time: January 27, 2025

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

Public Health – Health Care Quality Fund for Community–Based Behavioral Health Programs – Establishment

FOR the purpose of establishing the Health Care Quality Fund for Community-Based
Behavioral Health Programs as a special, nonlapsing fund in the Maryland
Department of Health; requiring the Department to pay to the Comptroller certain
civil penalties collected from behavioral health programs and the Comptroller to
distribute the penalties into the Fund; requiring interest earnings of the Fund to be
credited to the Fund; and generally relating to the Health Care Quality Fund for
Community-Based Behavioral Health Programs.

- 11 BY adding to
- 12 Article Health General
- 13 Section 7.5–405
- 14 Annotated Code of Maryland
- 15 (2023 Replacement Volume and 2024 Supplement)
- 16 BY repealing and reenacting, without amendments,
- 17 Article State Finance and Procurement
- 18 Section 6–226(a)(2)(i)
- 19 Annotated Code of Maryland
- 20 (2021 Replacement Volume and 2024 Supplement)
- 21 BY repealing and reenacting, with amendments,
- 22 Article State Finance and Procurement
- 23 Section 6–226(a)(2)(ii)204. and 205.
- 24 Annotated Code of Maryland
- 25 (2021 Replacement Volume and 2024 Supplement)
- 26 BY adding to
- 27 Article State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



HOUSE BILL 743

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1 Section 6-226(a)(2)(ii)206. Annotated Code of Maryland $\mathbf{2}$ (2021 Replacement Volume and 2024 Supplement) 3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 4 That the Laws of Maryland read as follows: $\mathbf{5}$ 6 Article – Health – General 7 7.5-405. IN THIS SECTION, "FUND" MEANS THE HEALTH CARE QUALITY FUND 8 (A) FOR COMMUNITY-BASED BEHAVIORAL HEALTH PROGRAMS. 9 10 THERE IS A HEALTH CARE QUALITY FUND FOR COMMUNITY-BASED **(B)** BEHAVIORAL HEALTH PROGRAMS IN THE DEPARTMENT. 11 12**(C)** (1) THE DEPARTMENT SHALL PAY TO THE COMPTROLLER ALL CIVIL PENALTIES COLLECTED FROM BEHAVIORAL HEALTH PROGRAMS THAT ARE 13ASSESSED BY THE ADMINISTRATION OR THE OFFICE OF HEALTH CARE QUALITY. 1415(2) THE COMPTROLLER SHALL DISTRIBUTE THE PENALTIES TO THE FUND. 16 THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR TRAINING, 17**(D)** 18 GRANT AWARDS, DEMONSTRATION PROJECTS, OR OTHER PURPOSES DESIGNED TO 19IMPROVE THE QUALITY OF BEHAVIORAL HEALTH CARE IN THE STATE. THE DEPARTMENT SHALL ADMINISTER THE FUND. 20**(E)** 21(1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT **(F)** SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE. 2223(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND. 24THE FUND CONSISTS OF: 25(G) CIVIL MONEY PENALTIES DISTRIBUTED TO THE FUND UNDER 26(1) SUBSECTION (C) OF THIS SECTION; 2728(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; (3) 29**INTEREST EARNINGS; AND**

1 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR 2 THE BENEFIT OF THE FUND.

3 (H) THE FUND MAY BE USED ONLY FOR TRAINING, GRANT AWARDS, 4 DEMONSTRATION PROJECTS, OR OTHER PURPOSES DESIGNED TO IMPROVE THE 5 QUALITY OF BEHAVIORAL HEALTH CARE.

6 (I) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND 7 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

8 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO 9 THE FUND.

10 (J) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE 11 WITH THE STATE BUDGET.

12 (K) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS NOT 13 INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE 14 APPROPRIATED FOR THE BEHAVIORAL HEALTH ADMINISTRATION OR THE OFFICE 15 OF HEALTH CARE QUALITY.

16 (L) THE DEPARTMENT SHALL ADOPT REGULATIONS FOR THE 17 DISTRIBUTION OF FUNDS FROM THE HEALTH CARE QUALITY FUND FOR 18 COMMUNITY-BASED BEHAVIORAL HEALTH PROGRAMS.

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Article – State Finance and Procurement

 $20 \quad 6-226.$

21 (a) (2) (i) 1. This subparagraph does not apply in fiscal years 2024 22 through 2028.

23 2. Notwithstanding any other provision of law, and unless 24 inconsistent with a federal law, grant agreement, or other federal requirement or with the 25 terms of a gift or settlement agreement, net interest on all State money allocated by the 26 State Treasurer under this section to special funds or accounts, and otherwise entitled to 27 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General 28 Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not applyto the following funds:

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204. the Victims of Domestic Violence Program Grant Fund;

32 [and]

HOUSE BILL 743

1

205. the Proposed Programs Collaborative Grant Fund; AND

2 206. THE HEALTH CARE QUALITY FUND FOR 3 COMMUNITY-BASED BEHAVIORAL HEALTH PROGRAMS.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 5 October 1, 2025.