

HOUSE BILL 772

J3, J1

6lr2474

By: **Delegates Shetty, Ruff, Bagnall, Cullison, Edelson, Forbes, Guzzone, S. Johnson, D. Jones, and McCaskill**

Introduced and read first time: February 4, 2026

Assigned to: Health

A BILL ENTITLED

1 AN ACT concerning

2 **Workgroup on Behavioral Health Rate Methodology Modernization –**
3 **Establishment**

4 FOR the purpose of establishing the Workgroup on Behavioral Health Rate Methodology
5 Modernization in the Maryland Health Care Commission to develop certain
6 reimbursement methodologies for certified community behavioral health clinics and
7 outpatient mental health centers; and generally relating to behavioral health rate
8 methodology modernization.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That:

11 (a) There is a Workgroup on Behavioral Health Rate Methodology Modernization
12 in the Maryland Health Care Commission.

13 (b) The purpose of the Workgroup is to develop transparent, cost-based
14 reimbursement methodologies for certified community behavioral health clinics and
15 outpatient mental health centers using federally required and existing cost-study data as
16 the foundation for future rate reform.

17 (c) The Workgroup consists of the following members:

18 (1) two members of the Senate of Maryland, appointed by the President of
19 the Senate;

20 (2) two members of the House of Delegates, appointed by the Speaker of
21 the House;

22 (3) the Executive Director of the Maryland Health Care Commission, or the
23 Executive Director's designee;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(4) one representative of the Maryland Medical Assistance Program, designated by the Secretary of Health;

(5) one representative of the Behavioral Health Administration, appointed by the Secretary of Health;

(6) three representatives of community behavioral health providers designated by the Community Behavioral Health Association of Maryland, including:

(i) at least one provider from a certified community behavioral health clinic participating in the federal demonstration; and

(ii) at least one provider from an outpatient mental health center; and

(7) the following members, jointly appointed by the Speaker of the House and the President of the Senate:

(i) one representative of a statewide hospital association;

(ii) one representative of a specialty psychiatric hospital;

(iii) one representative of a consumer or peer-led behavioral health advocacy organization;

(iv) one independent actuarial or health-economics expert with Medicaid experience; and

(v) any additional members determined necessary by the cochair in consultation with the Workgroup.

(d) The President of the Senate and the Speaker of the House jointly shall designate one legislative member and one provider member to serve as cochair of the Workgroup.

(e) The Maryland Health Care Commission, in consultation with the Maryland Department of Health, the Department of Legislative Services, and the Community Behavioral Health Association of Maryland, shall provide staff for the Workgroup.

(f) A member of the Workgroup:

(1) may not receive compensation as a member of the Workgroup; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(g) The Workgroup shall:

(1) use the federally required certified community behavioral health clinic cost study as the baseline dataset for evaluating outpatient mental health service costs in the State;

(2) review and analyze cost drivers for outpatient behavioral health services, including:

(i) staffing mix and workforce models;

(ii) medical director and supervision requirements;

(iii) contractor versus salaried employment structures;

(iv) geographic and volume variation; and

(v) compliance with State and federal regulatory requirements, including COMAR 10.63; and

(3) evaluate reimbursement methodologies used in other states and federal demonstration programs;

(4) develop one or more cost-based, rate-setting methodologies applicable to both certified community behavioral health clinics and outpatient mental health centers;

(5) ensure all recommended methodologies comply with both federal Medicaid financing rules and the Medicaid Upper Payment Limit;

(6) identify any regulatory or statutory barriers to statewide implementation of cost-based, rate-setting methodologies; and

(7) propose options for phased statewide implementation of cost-based, rate-setting methodologies when fiscal conditions allow.

(g) (1) On or before December 1, 2026, the Workgroup shall submit an interim report to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

(2) On or before October 1, 2027, the Workgroup shall submit a final report to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly that includes:

(i) recommended rate-setting methodologies;

(ii) assumption and cost-model components;

(iii) options for phased implementation;

(iv) estimated fiscal considerations; and

(v) any recommended statutory or regulatory changes.

(h) This section does not:

(1) require an immediate rate increase;

(2) mandate an appropriation; or

(3) create a fiscal obligation in the absence of subsequent legislative or budgetary action.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026. It shall remain effective for a period of 2 years and, at the end of June 30, 2028, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.