

HOUSE BILL 971

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By: **Delegates Woods, Fair, Hill, Ivey, Kaufman, J. Long, McComas, Patterson, Roberson, Roberts, Ruff, Ruth, and Taveras**

Introduced and read first time: February 6, 2026

Assigned to: Health

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Medical Advisory Committee – Duties and Workgroup to Study the**
3 **Adoption of a Fee-for-Service Model for All Medicaid Services**

4 FOR the purpose of requiring the Maryland Medical Advisory Committee to form
5 subcommittees and workgroups, as necessary, to carry out the duties of the
6 Committee; establishing the Workgroup to Study the Adoption of a Fee-for-Service
7 Model for All Medicaid Services to study the feasibility of implementing a direct care
8 payment model throughout the State’s Medicaid program; and generally relating to
9 the Maryland Medical Advisory Committee.

10 BY repealing and reenacting, without amendments,
11 Article – Health – General
12 Section 15–103(a) and (b)(1)
13 Annotated Code of Maryland
14 (2023 Replacement Volume and 2025 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Health – General
17 Section 15–103(b)(27)(i) through (iv)
18 Annotated Code of Maryland
19 (2023 Replacement Volume and 2025 Supplement)

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

22 **Article – Health – General**

23 15–103.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) The Secretary shall administer the Maryland Medical Assistance
2 Program.

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

6 (27) (i) 1. The Department shall establish the Maryland Medicaid
7 Advisory Committee, composed of no more than 25 members.

8 2. The majority of the members of the Committee shall be
9 enrollees or enrollee advocates.

10 3. At least five members of the Committee shall be enrollees
11 representative of the entire Medicaid population.

12 (ii) The Committee members shall include:

13 1. At least five current or former enrollees or the parents or
14 guardians of current or former enrollees;

15 2. Providers who are familiar with the medical needs of
16 low-income population groups, including board-certified physicians;

17 3. Hospital representatives;

18 4. At least five but not more than 10 advocates for the
19 Medicaid population, including representatives of special needs populations, such as:

20 A. Children with special needs;

21 B. Individuals with physical disabilities;

22 C. Individuals with developmental disabilities;

23 D. Individuals with mental illness;

24 E. Individuals with brain injuries;

25 F. Medicaid and Medicare dual eligibles;

26 G. Individuals who are homeless or have experienced
27 homelessness;

28 H. Individuals enrolled in home- and community-based
29 services waivers;

- 1 I. Elderly individuals;
- 2 J. Low-income individuals and individuals receiving
3 benefits through the Temporary Assistance for Needy Families Program; and
- 4 K. Individuals receiving substance abuse treatment services;
- 5 5. Two members of the Finance Committee of the Senate of
6 Maryland, appointed by the President of the Senate; and
- 7 6. Three members of the Maryland House of Delegates,
8 appointed by the Speaker of the House.

9 (iii) A designee of each of the following shall serve as an ex-officio
10 member of the Committee:

- 11 1. The Secretary of Human Services;
- 12 2. The Executive Director of the Maryland Health Care
13 Commission; and
- 14 3. The Maryland Association of County Health Officers.

15 (iv) In addition to any duties imposed by federal law and regulation,
16 the Committee shall:

- 17 1. Advise the Secretary on the implementation, operation,
18 and evaluation of managed care programs under this section;
- 19 2. Review and make recommendations on the regulations
20 developed to implement managed care programs under this section;
- 21 3. Review and make recommendations on the standards used
22 in contracts between the Department and managed care organizations;
- 23 4. Review and make recommendations on the Department's
24 oversight of quality assurance standards;
- 25 5. Review data collected by the Department from managed
26 care organizations participating in the Program and data collected by the Maryland Health
27 Care Commission;
- 28 6. Promote the dissemination of managed care organization
29 performance information, including loss ratios, to enrollees in a manner that facilitates
30 quality comparisons and uses layman's language;

1 (1) review the experience of Connecticut in delivering Medicaid through a
2 fee-for-service model, including the revenue saved by moving away from managed care
3 organizations and the impact of the model on overall cost of care, provider participation,
4 and overall access to services;

5 (2) review the State's experience using fee-for-service instead of managed
6 care organizations to manage and pay for care, including ease of coordination for agencies
7 and providers;

8 (3) examine any other states that have implemented a fee-for-service
9 model or are exploring a direct care model in their Medicaid programs in response to
10 decreased funding and enrollment changes set forth in federal legislation or regulation;

11 (4) review any evidence-based studies on the benefits of a direct care
12 payment model in Medicaid programs, including to enrollees, to the State's access to
13 real-time data, maintenance of provider networks, and other relevant outcomes;

14 (5) examine the feasibility of implementing a direct care payment model
15 throughout the State's Medicaid program; and

16 (6) propose a potential timeline for the State's transition to a direct
17 payment model.

18 (g) On or before January 1, 2027, the Workgroup shall report its findings and
19 recommendations to the Maryland Medicaid Advisory Committee and, in accordance with
20 § 2-1257 of the State Government Article, the President of the Senate, the Speaker of the
21 House of Delegates, the Senate Finance Committee, and the House Health Committee.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2026. Section 2 of this Act shall remain effective for a period of 1 year and, at the end of
24 June 30, 2027, Section 2 of this Act, with no further action required by the General
25 Assembly, shall be abrogated and of no further force and effect.