



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

February 12, 2025

Honorable Joseline A. Peña-Melnyk
Chair Health and Government Operations Committee
240 Taylor House Office Building
House Office Building, Room 131
Annapolis, Maryland 21401

**RE: House Bill (HB) 722– Maryland Department of Health – Report on
Oversight of Substance Use Disorder Treatment Programs and Recovery Residences
– Letter of Information**

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of information for House Bill (HB) 722– Maryland Department of Health – Report on Oversight of Substance Use Disorder Treatment Programs and Recovery Residences.

HB 722 requires the Department to submit reports, as outlined in §2–1257, to various committees, including the Senate Finance Committee, the Senate Budget and Taxation Committee, the House Health and Government Operations Committee, and the House Appropriations Committee. As outlined in the bill, the reports would provide information regarding the revision of COMAR 10.63, improvements to the oversight of substance use disorder treatment programs, and enhancements to the procedures for the certification, monitoring, and oversight of recovery residences.

The reports requested must also include an analysis, to the extent permitted by law, of how the revisions to COMAR 10.63 and the other changes initiated by the Department will help prevent incidents such as those reported concerning PHA Healthcare. This includes addressing cases of patient relapse and death while individuals are enrolled in substance use disorder programs and housed in provider-owned facilities.

Over the past nine (9) months, the Department has undertaken extensive steps to improve the quality of programs under the authority of the Department, including:

- 1) A rigorous review and revision of the COMAR 10.63 regulations to strengthen regulatory requirements for organizations seeking licensure from the Department to operate a community-based behavioral health program. The revised regulations include requirements for staffing, environmental standards for provider facilities, and clearly

outline the Department's ability to impose disciplinary action such as Civil Money Penalties for providers who do not comply with regulatory requirements.

- 2) Partnership with Medicaid and the Office of the Inspector General (OIG) to identify and mitigate potential fraud, waste, and abuse within the Public Behavioral Health System (PBHS). This multi-step approach includes the issuance of a pause on new provider enrollments of the four (4) provider types that have been identified as having the poorest audit outcomes and highest utilization into Medicaid.
- 3) Training of the Local Behavioral Health Authorities (LBHAs) to increase proficiency in quality and compliance oversight at the local level, more effective utilization review and management through the launch of a new Behavioral Health Administrative Services Organization (BHASO), and increased coordination of the investigation of providers suspected of engagement in fraudulent practices.

Given the number of quality improvement and performance management initiatives that are underway within the Department, we believe that the Department is making substantial progress toward the goals of HB 722. The revised regulations are slated to go into effect summer 2025. The pause on new provider enrollment into Medicaid has been extended through June 30, 2025 and one of the core requirements due to CMS is a review of data pre- and post-pause implementation inclusive of claims, utilization, and a preliminary review of patient outcomes.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at sarah.case-herron@maryland.gov.

Sincerely,



Laura Herrera Scott, M.D., M.P.H.
Secretary