

**SB39****Behavioral Health – Certified Community Behavioral Health Clinics and Outpatient Mental Health Center – Reimbursement Rates**

Senate Finance Committee

March 3, 2026

**Support with Amendments**

**Catholic Charities of Baltimore strongly supports SB39, with amendments**, as it is intended to be a cross-file of HB772, on which we previously submitted testimony in support. This amended legislation will strengthen Maryland’s rate study process by ensuring independence, transparency, and meaningful provider participation. It doesn’t mandate automatic rate increases but rather ensures that rate-setting is data-informed and grounded in operational reality.

Catholic Charities’ Villa Maria Behavioral Health program is one of the largest nonprofit providers of behavioral health services in Maryland. Our 225 counselors and psychiatric rehabilitation specialists serve more than 3,500 patients across eight Maryland counties and Baltimore City through community schools, stand-alone clinics, and telehealth. Rising costs, including inflation, competitive salaries, benefits, and utilities, combined with outdated reimbursement structures are placing significant strain on our and other providers’ ability to serve the ever-growing number of patients with behavioral health and addiction treatment needs.

According to the report of the Maryland Health Care Commission (“Investing in Maryland’s Behavioral Health Talent,” Oct. 2024), “Maryland’s behavioral health workforce shortage is due to ‘historical underinvestment in the behavioral health system, increasing rates of mental illness and substance use and high rates of burnout and attrition [which] has led to a national shortage of peer recovery specialists.’” The report recommends that the state invest about \$148.5 million over the next five years to help fix the workforce shortage, using those funds to raise wages for staff and reimbursement rates for providers. The first strategy noted by the report for addressing the issue is to– “PROVIDE COMPETITIVE COMPENSATION” ...since more than half of paraprofessionals and many early career social workers and counselors do not make a living wage for a single adult in Maryland. After adjusting for cost of living, median salaries are lower than neighboring states in key occupations, including social workers, counselors, psychiatrists, and nurse practitioners. Paying a living wage and keeping pace with other settings and states is foundational.” Maryland needs a rate-setting process that addresses these challenges and ensures that provider rates reflect the true cost of delivering care...something the current reimbursement rate and rate-setting process does not do.

Providers delivering care every day should have a formal role in informing how rates are studied and developed. The amended version of SB39 ensures that providers have a seat at the table so that the methodology reflects the actual cost of delivering services to Maryland’s patients in need of behavioral health care.

**For these reasons, Catholic Charities of Baltimore urges the committee to issue a favorable report for SB39, with amendments.**

Submitted By: Madelin Martinez, Assistant Director of Advocacy on behalf of Val Twanmoh, Senior Advisor Advocacy and Policy