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**HB772 – Workgroup on Behavioral Health Rate Methodology Modernization –
Establishment**

Senate Finance Committee
March 31, 2026

POSITION: FAVORABLE

My name is Birgit Locklear, and I am the Executive Director at Pathways, Inc., a community-based behavioral health provider serving children, adults, and seniors with behavioral health needs in St. Mary's, Charles, Calvert, and Prince George's Counties in Maryland. I am pleased to submit written testimony in strong support of House Bill 772, as amended, and respectfully urge a favorable report.

HB772, as amended, establishes a coordinated framework for modernizing how Maryland sets reimbursement rates for behavioral health services. The bill requires the Maryland Department of Health to use real provider cost data, not outdated assumptions, and ensures that community providers have a formal seat at the table throughout the process. For our organization, and for the people we serve, this legislation could not come at a more critical time.

At Pathways, Inc., we serve approximately 1,500 individuals each year through our Outpatient Mental Health Clinics, Supported Employment Program, Residential Housing, and Psychiatric Rehabilitation Services. We are experiencing real operational strain like never before. These constraints include:

- Workforce vacancies and recruitment challenges. As a fee-for-service organization, we employ community members across a wide range of roles—from entry-level to post-graduate clinical positions. The cost of living and demand for services have increased, but our ability to pay staff has not, due to stagnant reimbursement rates. As a result, it is becoming increasingly difficult to fill open positions. Many applicants leave Southern Maryland to work for larger for-profit organizations in the DC and Baltimore areas. As demand continues to grow, we are forced to turn people away to avoid unsafe caseloads and further strain on staff—creating a growing treatment gap in our communities.
- Limitations on expanding much-needed services. While we have expanded into more rural areas, we have had to reduce in-person services and limit hours because we cannot recruit and retain enough qualified clinical and support staff to meet demand. Recently, one of our program directors—a single mother—left a career she had held and loved for 20 years to take a lower-demand administrative role at a military base simply, as she put it, to “afford life for myself and my daughter.” Staffing gaps lead to higher caseloads, longer wait times for consumers to access care, and reduced ability to respond effectively in crisis situations.

Current reimbursement rates do not reflect the actual costs of delivering care. We have absorbed increased costs related to supervision, compliance, documentation, and reporting. Requirements that are necessary, but that depend on staffing and infrastructure that the current rate structure simply does not account for. Every year we absorb these costs, the margin for delivering quality care gets thinner.

The providers who deliver care every day are best positioned to explain what that care costs. HB772, as amended, ensures we have a meaningful role in how rates are studied and developed. Not as an afterthought, but as a required voice in the process. The amendments strengthen this by requiring MDH to use real cost data collected directly from providers, and by establishing the Maryland Health Care Commission as a neutral facilitator to ensure the process is transparent and grounded in operational reality. That is exactly how rate-setting should work.

For these reasons, I respectfully urge a favorable report on House Bill 772, as amended.

Sincerely,



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