



March 31, 2026

**Senate Finance Committee
TESTIMONY IN SUPPORT**

HB 772 - Behavioral Health Rate Methodology Modernization - Workgroup Establishment and Study

Behavioral Health System Baltimore (BHSB) is a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities. Baltimore City represents nearly 35 percent of the public behavioral health system in Maryland, serving over 100,000 people with mental illness and substance use disorders (collectively referred to as “behavioral health”) annually.

BHSB strongly supports HB 772 - Behavioral Health Rate Methodology Modernization - Workgroup Establishment and Study. This bill would direct the Maryland Department of Health (MDH) to conduct a rate study on community-based behavioral health services in partnership with the Maryland Health Care Commission (MHCC) and would establish a workgroup to evaluate behavioral health reimbursement methodologies.

The Maryland Department of Health (MDH) has been required to conduct a rate study for outpatient behavioral health since 2017. MDH did not move forward to implement such a study until recently. BHSB appreciates that the rate study now appears to be underway. HB 772 would strengthen and augment this process.

One improvement is that HB 772 would direct MDH to partner with MHCC in the rate study process. MHCC is an independent source of expertise and will ensure the study is completed with the rigor and specificity needed to provide strong recommendations. HB 772 also requires the Behavioral Health Administration and Maryland Medicaid to implement the findings of the study along with recommendations from the Workgroup on Behavioral Health Rate Methodology Modernization established under the bill. This direction will help to ensure that the recommendations that are developed through this process are acted upon. Study and workgroup recommendations often do not proceed to implementation, so any additional emphasis from the General Assembly is welcome.

BHSB supports this effort to ensure proper investment in the public behavioral health system. A comprehensive review is needed to understand provider costs and the upward pressures of competing with hospitals and health systems who receive annual rate increases. In Baltimore City, it is especially challenging for providers to compete with Baltimore hospitals for behavioral health talent. Studying these dynamics and others would help ensure rates are sufficient to attract talent, increase access, and ensure high quality.

We thank the Department for starting the rate study process and believe HB 772 will only strengthen that process. **BHSB urges the House Health Committee to support HB 772.**

For more information, please contact BHSB Policy Director Dan Rabbitt at 443-401-6142 or daniel.rabbitt@bhsbaltimore.org