



March 3, 2026

**Senate Finance Committee
TESTIMONY IN SUPPORT W/AMENDMENT**

SB 39 - Behavioral Health - Certified Community Behavioral Health Clinics and Outpatient Mental Health Centers - Reimbursement Rates

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 SB 39 - Behavioral Health - Certified Community Behavioral Health Clinics and Outpatient Mental Health Centers - Reimbursement Rates. This bill once amended to match its intended crossfile [HB722](#) would establish a workgroup to analyze the costs of providing outpatient behavioral health services and evaluate reimbursement methodologies that can adequately cover such costs. The proposed amendments would not require an immediate rate increase or mandate any appropriation.

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. SB 39 would strengthen and augment this process.

SB 39, once amended to match [HB722](#), would create a workgroup with defined membership that would oversee the development of the cost and rate study. This workgroup includes stakeholders across the behavioral health system and would ensure that the study fully accounts for the realities of delivering services and the opportunities different methodologies may provide. The bill also establishes the Maryland Health Care Commission (MHCC) as the lead entity driving the study instead of MDH. MHCC is independent of the rate setting process, and their involvement will strengthen community confidence in the study recommendations.

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. Competing with Baltimore hospitals for behavioral health talent is challenging so studying the dynamics of the market 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 SB 39 will only strengthen that process. **BHSB urges the Senate Finance Committee to support SB 39.**

For more information, please contact BHSB Policy Director Dan Rabbitt at 443-401-6142