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March 31, 2026

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The Hon. Pamela Beidle, Chair
Senate Finance Committee
Maryland General Assembly
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

The Hon. Antonio Hayes, Vice Chair
Senate Finance Committee
Maryland General Assembly
223 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401

RE: Pyramid Healthcare Testimony In Favor of House Bill 772 – An Act Concerning “Behavioral Health Rate Methodology Modernization - Workgroup Establishment and Study”

Dear Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee:

The Pyramid Healthcare, Inc. (“Pyramid Healthcare”) family of companies pleased to submit written testimony in strong support of House Bill 772, as amended, and respectfully urge a favorable report. The bill, 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 The bill requires the Maryland Department of Health to use real provider cost data, not outdated assumptions, and ensures that community providers have a formal seat at the table throughout the process.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.

The Pyramid Healthcare family of companies is an integrated behavioral healthcare system serving Medicaid, commercial, Affordable Care Act Exchange, and veterans affairs clients in nine (9) states across a continuum of residential and outpatient substance use disorder (“SUD”), mental health, autism, and eating disorder treatment services. We employ over 3,600 team members across our 80+ active facilities caring for over 14,000 unique commercial and Medicaid patients every day throughout our locations. With over 2,100 active beds throughout our system, we are one of the largest adult Medicaid residential SUD treatment providers in the country.

In Maryland, we operate five locations serving over 2,000 residents per year: a withdrawal management & residential treatment center and an outpatient treatment center in California; a withdrawal management & residential treatment center in Charlotte Hall; a withdrawal management & residential treatment center in Joppa; and a withdrawal management & residential treatment center in Bowie. In total, we have almost 275 licensed SUD residential treatment beds for adult Medicaid clients across the state. We also have two facilities in the eastern panhandle of West Virginia which are able to serve Maryland Medicaid clients in western Maryland.

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. House Bill 772, 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.

Thank you for your support of behavioral health providers – including those in both substance use disorder and mental health – in Maryland and for considering our policy proposals and recommendations on behalf of Pyramid Healthcare. If we can provide any additional information or materials, please contact me at crosier@pyramidhc.com or 667-270-1582. In addition, we invite you or a member of the Committee or staff to reach out and schedule a visit to one of our Maryland locations sometime soon to learn more about our programs and services.

Sincerely,

A handwritten signature in black ink that reads "Collan B. Rosier". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Collan B. Rosier
Vice President of Government Relations

CC: Members, Senate Finance Committee
Tammy Kraft, Committee Manager, Senate Finance Committee