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March 3, 2026

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The Hon. Tammy Kraft, 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 Senate Bill 39 – An Act Concerning “Behavioral Health - Certified Community Behavioral Health Clinics and Outpatient Mental Health Centers - Reimbursement Rates” with Amendments**

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

Pyramid Healthcare, Inc. (“Pyramid Healthcare”) writes in support of SB39, which would establish “the Workgroup on Certified Behavioral Health Clinic Implementation and Rate Methodology in the Behavioral Health Administration,” require “the Maryland Department of Health to conduct a certain rate study of outpatient mental health centers in the State,” and require the Department to increase the Maryland Medical Assistance Program reimbursement rate for outpatient mental health centers by 3% in fiscal years 2026 and 2027.” SB39 intends to become a cross-file of HB772, and amendments have been prepared to align the two pieces of legislation.

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.

Pyramid Healthcare strongly supports the amended version of SB39 because it strengthens Maryland's rate study process by ensuring independence, transparency, and meaningful provider participation. It improves the process. It does not mandate automatic rate increases. It ensures that rate-setting is clear, data-informed, and grounded in operational reality. Employers are experiencing historic workforce turnover and staffing challenges. This is a particular issue for Medicaid providers who have fixed reimbursement rates and are unable to pass on higher labor costs to their customers.

Current reimbursement does not reflect the full cost of delivering care. We have absorbed increased costs related to supervision, compliance, documentation, and reporting. These requirements are necessary, but they depend on staffing and infrastructure that are not accounted for in the current rates. 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 in Maryland communities. For these reasons, I respectfully request a favorable report on the amended version of SB39.

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](mailto: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,



Collan B. Rosier  
Vice President of Government Relations

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