LCPCM- X HB 772-Workgroup on Behavioral Health Rat
Uploaded by: Andrea Mansfield
Position: FAV

LICENSED CLINICAL PROFESSIONAL COUNSELORS OF MARYLAND

Committee: Senate Finance Committee

Bill: HB 772 Workgroup on Behavioral Health Rate Methodology Modernization - Establishment

Hearing Date: March 31, 2026

Position: **SUPPORT**

The Licensed Clinical Professional Counselors of Maryland (LCPCM) **SUPPORT** HB 772 Workgroup on Behavioral Health Rate Methodology Modernization – Establishment as amended by the House to include a representative of LCPCM.

States implementing the federal CCBHC model through SAMHSA (Substance Abuse and Mental Health Services Administration) often move toward prospective payment systems (PPS) for CCBHCs and OMHCs. That creates stable funding streams for CCBHCs and OMHCs, higher reimbursement floors, and greater administrative infrastructure support, but independent outpatient providers often remain on traditional fee schedules which can unintentionally shift workforce into CCBHCs, create inequitable reimbursement for equivalent services, and undermine private community-based capacity.

LCPCs provide much needed comprehensive mental health care and services to individuals in crisis just like CCBHCs and OMHCs. Some LCPCs may also work in these centers. Examining the rate setting and reimbursement methodology across the full spectrum of providers can serve to expand the number and improve access to care.

For these reasons, LCPCM urges the Committee to give HB 772 a **FAVORABLE** report as amended.

Please contact Andrea Mansfield at amansfield@maniscanning.com or (410) 562-1617 if we can provide additional information.

Pathways_HB772_FAVORABLE.pdf
Uploaded by: Birgit Locklear
Position: FAV

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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,

Birgit Locklear, MSW, LCSW-C
Executive Director

Pathways, Inc.

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HB772_Johns Hopkins_Support_CrossFile.pdf
Uploaded by: Brandon Floyd
Position: FAV

JOHNS HOPKINS
UNIVERSITY & MEDICINE

TO: The Honorable Pam Beidle, Chair
Senate Finance Committee

FROM: Brandon Floyd
Associate Director, Maryland Government Affairs

HB772
Favorable

DATE: March 27, 2026

RE: HB772 Workgroup on Behavioral Health Rate Methodology Modernization - Establishment

Johns Hopkins supports **HB772 Workgroup on Behavioral Health Rate Methodology Modernization - Establishment**. This bill establishes a workgroup to develop transparent, cost-based reimbursement methodologies for behavioral health providers. This initiative is essential to addressing the pressing concerns surrounding access to behavioral health care in our communities.

Johns Hopkins has significant expertise in treatment and research of behavioral health disorders, offering a broad range of intensities of services and modalities of care. Our Department of Psychiatry is consistently ranked among the top programs in the United States for clinical care according to U.S. News and World Report. Across the Johns Hopkins Hospital and Johns Hopkins Bayview Medical Center, we experience over 275,000 annual inpatient and outpatient behavioral health visits each year. As one of the largest behavioral health providers in the state, we witness firsthand the devastating impact these problems have on individuals, their families and the communities we serve. We are constantly exploring new options to meet the behavioral health needs of our patients.

The Johns Hopkins hospital-based outpatient mental health clinics provide comprehensive outpatient psychiatric treatment and rehabilitation services for children and adults living in the Baltimore area. Individual, group, marital and family therapies, psychosocial rehabilitation, and medication management are provided by a team of more than 170 full-time therapists, nurses, and attending psychiatrists. Community-based services are also available in schools and in patients' homes through the Community Mental Health Centers (CMHCs)Individual treatment plans are developed according to each patient's needs.

As the Committee is aware, the landscape of behavioral health care is rapidly evolving, with increasing demands for services due to rising rates of mental health challenges and substance use disorders exacerbated by the ongoing impacts of the COVID-19 pandemic. Despite these challenges, our current rate methodologies have not kept pace with the necessary changes and innovations in service delivery.

This bill is a proactive step towards a more effective, equitable, and sustainable behavioral health system in our state. Accordingly, Johns Hopkins respectfully requests a **FAVORABLE** committee report on HB772.

HB772 Written Testimony.docx.pdf
Uploaded by: Cari Guthrie
Position: FAV

HB772 – Workgroup on Behavioral Health Rate Methodology Modernization – Establishment
Senate Finance Committee
March 31, 2026

POSITION: SUPPORT

My name is Cari Guthrie, President and CEO of Cornerstone. Since 1971, Cornerstone has offered behavioral health services to people ages 5 and up in Calvert, Charles, St. Mary's, and Montgomery Counties. We currently serve over 3000 clients. We are one of the original CCBHC's in Maryland, supported with SAMHSA grant dollars. We provide services across the continuum of care - residential, psychiatric rehabilitation, crisis, ACT, targeted case management (TCM), employment, In Home Intensive Services (IHIP) and outpatient mental health centers (OMHC).

I supported the original bill, and strongly support the amended version. The amendments transform HB772 from a standalone workgroup into a coordinated, action-forcing framework and that distinction matters.

HB772 with amendments is key to supporting Maryland Behavioral Health System for several reasons:

1. It provides a data driven approach to rate setting.
2. It provides a structured process with the work group that includes providers.
3. It requires MD to use the ongoing cost study data mandated by the HOPE Act of 2017.
4. It establishes MHCC as a neutral facilitator with a designated technical liaison to keep things collaborative and moving forward.
5. It incorporates federal Medicaid financing rules and requirements.
6. It ensures transparency and plans for implementation.
7. It helps us determine a rate structure that supports the services that are being provided and helps ensure they can continue.

These policy measures are desperately needed, as Cornerstone's experience demonstrates the devastating impact of a lack of rate methodology.

Since Cornerstone took over 3 of Montgomery County OMHC's in 1999, we have budgeted annual losses up to $1 million dollars for that program. One of the reasons that Montgomery County privatized their 5 clinics at that time was simply that the Medicaid rates could not support the County salary structure and they could no longer afford to manage that service. Even though our salaries were lower, that has still not been enough to change that issue. OMHC's are our most costly service because of the cost of the licensed providers that are required - psychiatrists, Nurse Practitioners, nurses, and therapists all need to be licensed and all have much higher salaries. As a nonprofit organization with a limited budget, we have not been able to match salaries with many of our competitors - often losing candidates and staff to government, schools, hospitals, or DC and Virginia.

But we continued to provide these services, maintaining that they are key to our mission and depending upon other service lines to make up the difference. The problem with that is over time, you impact the stability of the entire organization with ongoing deficits and the inability to provide salary increases and other benefits and needs to all staff across the agency - even across programs that make money and could support higher salaries if they stood alone.

What has that meant for Cornerstone?

- It means we have had turnover rates as high as 40% while coming out from COVID.
- It means that we have had to close intake to new clients in multiple programs even as need has increased because we do not have the staff capacity to serve them.
- Hiring licensed providers has been the most challenging - while other positions are filled in less than 30 days, these licensed positions take over 3 months to put in place.
- Our clinic alone lost 400 clients during COVID and we have not been able to recover any of those numbers because of staffing capacity.
- It means that we have had to purposefully shrink three programs capacity - ACT by 100 clients, Residential Crisis by 8 beds, and Behavioral Health Homes by 250 clients, because we didn't have the staff to provide the services.
- Our exit interviews confirmed that those staff were leaving because they could get higher paying jobs elsewhere. Those same exit summaries also report that they love the clients, they love their teams and they wish they could stay.

That annual $1 million dollar loss in the OMHC could have paid for a lot of salary increases over the years and we would not be in this situation. Rate setting for CCBHCs and OMHC's can stabilize workforce, access to care, and quality of care.

Cornerstone's mission is to empower people with behavioral health disorders to thrive in their community through collaboration, treatment, education, and advocacy. We are bearers of hope, committing to helping them live a life of their choosing. Approving HB772 is an obvious step to improve access to effective health care so that they can improve their health, be productive members of their community, and have a quality life of their choosing. We respectfully request a favorable report on HB772.

Thank you.

2026-03-31 - MD - Pyramid Healthcare - Testimony r

Uploaded by: Collan Rosier

Position: FAV

Pyramid Healthcare
AN INTEGRATED BEHAVIORAL HEALTHCARE SYSTEM

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March 31, 2026

Delivered Via MyMGA Witness Signup Platform

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,

Collan B. Rosier
Vice President of Government Relations

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

NCADD-MD - 2026 HB 772 FAV - Workgroup on Behavior
Uploaded by: Connie Dausch
Position: FAV

Senate Finance Committee
March 31, 2026

House Bill 772 - Behavioral Health Rate Methodology Modernization - Workgroup Establishment and Study

Support

NCADD-Maryland supports House Bill 772 as amended in the House. The intent of the bill is to build into the rate-setting methodology, greater collaboration with providers and greater accountability with the State.

Consultants who are conducting the study need to have their work informed by the people who are responsible for running behavioral health programs. Meaningful participation means working collaboratively to not just identify what looks like a good policy, but making sure it is implementable.

We also believe that to produce recommendations that we all can be confident in, a state organization that is independent from the funding function should be in the lead. With the Maryland Health Care Commission overseeing this substantial project, we believe the product will be seen as more objective.

Finally, the original mandate for this rate-setting study was created in 2017 and was intended to be inclusive of all levels of substance use and mental health care. We strongly support the amendments that broaden the study to all levels of substance use disorder and mental health care.

We therefore urge a favorable report on House Bill 772.

Senate Hearing CCBHC OMHC WG HB772 FAV Written Tes

Uploaded by: Damian Lang

Position: FAV

Sheppard Pratt

Written Testimony

House Bill 772 – Workgroup on Behavioral Health Rate Methodology Modernization – Establishment

Senate Finance Committee

March 31, 2026

Thank you for the opportunity to submit testimony in strong support of the amended version of House Bill 772, which will significantly strengthen the State's ability to produce actionable, data-driven rate reform.

As the nation's largest private, nonprofit behavioral health provider, and a statewide safety-net system serving more than 80,000 people annually, Sheppard Pratt sees firsthand how outdated and non-transparent rate structures undermine Maryland's ability to deliver timely, high-quality, community-based mental health care. We operate outpatient mental health centers (OMHCs), certified community behavioral health clinics (CCBHCs), crisis services, inpatient hospitals, residential programs, and school-based services across 16 counties. Across this continuum, the challenges that HB772 seeks to address are both urgent and system-defining.

As we have testified before on the unamended version of this bill before your committee (SB39), below is our rationale for the support of the amendments that reflect a thoughtful evolution of the bill from a standalone workgroup into a coordinated, implementation-oriented framework that better aligns the Maryland Department of Health (MDH), the Maryland Health Care Commission (MHCC), and community providers.

1. Alignment of Study, Workgroup, and Implementation

The amended bill explicitly requires MDH to use the ongoing cost study required by the HOPE Act of 2017 in coordination with the recommendations of the newly established Workgroup. This is a critical improvement.

- It ensures the Workgroup is not merely advisory, but directly informs State action
- It creates a clear pipeline from data → methodology → implementation
- It reduces the risk of duplicative or siloed analyses across agencies

This alignment has been a longstanding concern for providers, and the amendments appropriately resolve it.

2. Strengthened Role for MHCC as Neutral Facilitator

The amendments establish MHCC as the facilitator of the Workgroup and a technical partner in the rate-setting study. Sheppard Pratt supports this structure because:

- MHCC brings analytical credibility and independence
- It ensures a transparent, stakeholder-driven process
- It creates a neutral forum to reconcile differing methodologies and assumptions

This is particularly important given past concerns about inconsistencies in rate modeling approaches.

3. Integration of Cost Reporting and Real-World Provider Data

The amended bill requires MDH to administer cost-reporting tools and oversee submissions to support the study. This is a major step forward because:

- Rate setting will be grounded in actual provider cost data, not assumptions
- It enables validation of prior analyses (including concerns around double-counting or incomplete datasets)
- It ensures that workforce, supervision, and compliance costs are accurately captured

For providers like Sheppard Pratt, this is essential to producing rates that reflect operational reality.

4. Clear Governance and Coordination Through a Technical Liaison

The requirement for a designated technical liaison between MDH and MHCC is a critical operational improvement. This ensures:

- Continuity between the Workgroup and the State's rate-setting work
- Access to existing MDH data and modeling
- Reduced fragmentation across agencies

Given the complexity of Medicaid financing and behavioral health reimbursement, this coordination mechanism is essential.

5. Realistic Timeline with Accountability

The updated timeline, including a 2028 completion date for the rate study and aligned reporting deadlines, reflects the complexity of this work while maintaining accountability. Sheppard Pratt supports this approach as it balances:

- The need for rigorous, defensible analysis
- The urgency of rate reform
- The importance of stakeholder engagement throughout the process

Conclusion

HB772, as amended, represents a significant step forward in Maryland's effort to modernize behavioral health reimbursement. The bill now establishes a coordinated, data-driven, and implementation-oriented framework that aligns the work of MDH, MHCC, and providers to produce sustainable, cost-based rates for outpatient behavioral health services.

For Maryland to meet its behavioral health goals, reducing emergency department boarding, expanding crisis diversion, strengthening outpatient capacity, and stabilizing the workforce, rate modernization is essential. The amendments to HB772 ensure that this effort is grounded in real data, informed by providers, and structured for implementation.

For these reasons, Sheppard Pratt respectfully urges a favorable report on House Bill 772, as amended.

Thank you for your consideration.

HB0772_FINANCE_MHAMD_FAV.pdf
Uploaded by: Dan Martin
Position: FAV

mhamd
MENTAL HEALTH ASSOCIATION OF MARYLAND

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House Bill 772 Workgroup on Behavioral Health Rate Methodology Modernization - Establishment
Senate Finance Committee
March 31, 2026
Position: FAVORABLE

Mental Health Association of Maryland (MHAMD) is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health and substance use disorders (collectively referred to as behavioral health). We appreciate the opportunity to provide this testimony in support of House Bill 772.

HB 772 would establish the Workgroup on Behavioral Health Rate Methodology Modernization in the Maryland Health Care Commission (MHCC) to develop transparent, cost–based reimbursement methodologies for certified community behavioral health clinics (CCBHC) and outpatient mental health centers (OMHC).

The HOPE Act of 2017 (CH 572/SB 967 | CH 571/HB 1329) included a provision requiring the Behavioral Health Administration (BHA) and Maryland Medicaid to conduct an independent, cost-driven rate-setting study to set reimbursement rates for providers of community-based behavioral health services and to implement a payment system based on the findings of this study. This work was supposed to be completed by September 30, 2019. *See Md. Annotated Code, Health-General Article §16-201.3(e)*

Unfortunately, for a variety of understandable reasons – including departmental budgetary and staffing challenges, the covid pandemic, uncertainty at the federal level and more – this rate study was never completed. Nevertheless, Maryland behavioral health providers have been asked to continue delivering quality mental health and substance use care for years at rates that do not reflect the cost of doing business. This is an unsustainable arrangement that impacts access to care for Marylanders in need of these services.

To their credit, BHA reported earlier this session that they have contracted with a vendor to facilitate the HOPE Act's required rate study over the next 12-18 months; and we very much appreciate the work they have led over the past year to engage stakeholders and prepare Maryland for an application to participate in the federal CCBHC demonstration program. These are critically important initiatives, and MHAMD supports any efforts that would complement, support and accelerate that work.

Thank you for your attention to these comments. Please do not hesitate to contact us with any questions.

For more information, please contact Dan Martin at (410) 978-8865

HB 772 Crossover_BH Rate Study WG_BHSB_FAVORABLE.p
Uploaded by: Dan Rabbitt
Position: FAV

Behavioral Health System Baltimore

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 722 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

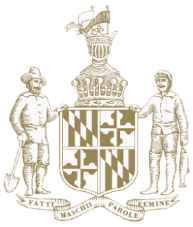
HB772 Written Testimony for Senate Finance.pdf
Uploaded by: Emily Shetty
Position: FAV

Emily Shetty
Legislative District 18
Montgomery County

Appropriations Committee

Chair, Health and
Social Services Subcommittee

Rules and Executive
Nominations Committee



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THE MARYLAND HOUSE OF DELEGATES
Annapolis, Maryland 21401

HB772
Testimony on Behavioral Health Rate Methodology Modernization – Workgroup Establishment and Study

Chair Pamela Biedle, Vice Chair Antonio Hayes, and esteemed members of the Finance Committee, thank you for the opportunity to testify in support of HB 772. House Bill 772 focuses on establishing a Workgroup on Behavioral Health Rate Methodology Modernization in Maryland. This bill aims to develop transparent, cost-based reimbursement methodologies for certified community behavioral health clinics and outpatient mental health centers.

Maryland's behavioral health system is under significant strain, driven by increased demand, workforce shortages, and chronic underinvestment in community-based providers. While certified community behavioral health clinics (CCBHCs) and outpatient mental health centers (OMHCs) are expected to deliver comprehensive, high-quality services, current reimbursement rates often do not reflect the full cost and extent of care. This severe disconnect threatens provider sustainability and limits access for individuals who rely heavily on these services.

HB 772 takes a critical and responsible step toward addressing this challenge by establishing the Workgroup on Behavioral Health Rate Methodology Modernization within the Maryland Health Care Commission (MHCC). Convening a group of diverse stakeholders to identify and analyze transparent, cost-based reimbursement methodologies, this bill will help ensure that behavioral health funding aligns with service delivery realities and supports long-term system stability in the behavioral health sector.

As it passed the House by 111-13, this legislation prioritizes thoughtful analysis over rushed solutions, and allows Maryland to build on the work that the Maryland Department of Health (MDH) has underway from the HOPE Act of 2017. This new workgroup and study facilitated by MHCC will assess existing rate-setting practices, identify gaps, and develop evidence-based recommendations that support access, quality, and workforce retention. The agencies and advocates are all in support of HB 772, which also passed through the Health Committee and the Floor with bipartisan support.

Modernizing behavioral health rate methodologies is paramount to strengthening Maryland's continuum of care. Without sustainable reimbursement, providers are forced to reduce services,

limit enrollment, or close altogether. These outcomes often disproportionately affect underserved and high-need communities like those living in poverty and communities of color.

This new workgroup and study are crucial to ensure reimbursement rates reflect the true cost of care as mental health care needs continue to grow statewide. Maryland is facing workforce shortages, rising demand, and ongoing access gaps, particularly for Medicaid recipients, rural communities, and other underserved populations. Outdated payment structures often fail to keep pace with inflation, and the complexity of behavioral health services. HB 772 is a step toward building a more sustainable system that better supports the Marylanders who rely heavily on this care.

Thank you for the committee's consideration, and I respectfully request a favorable report on HB 772.

HB772- Rate Setting-in FIN- FAV NAMI.pdf
Uploaded by: Morgan Mills
Position: FAV

NAMI Maryland
National Alliance on Mental Illness

March 31, 2026

Chair Beidle, Vice Chair Hayes, and distinguished members of the Finance Committee,

NAMI Maryland and our 11 local affiliates across the state represent a network of more than 60,000 families, individuals, community-based organizations, and service providers. NAMI Maryland is a 501(c)(3) non-profit dedicated to providing education, support, and advocacy for people living with mental illnesses, their families, and the wider community.

Our State's behavioral health system is at a critical juncture. For too long, reimbursement rates for community providers have lacked the transparency and data-driven foundations necessary to sustain high-quality care. This bill addresses that gap by tasking a diverse workgroup of legislators, providers, and experts to develop transparent, cost-based reimbursement methodologies for both Certified Community Behavioral Health Clinics (CCBHCs) and outpatient mental health centers.

This workgroup will analyze real-world cost drivers—such as staffing mix, workforce models, and regulatory compliance requirements—ensuring Maryland's behavioral health infrastructure can move toward a sustainable, phased implementation of modernized rate-setting.

This legislation does not mandate an immediate appropriation; rather, it provides analytical framework needed to ensure that our state's mental health and substance use services are fiscally sound and capable of meeting the rising needs of our residents.
We believe that establishing this workgroup is a vital step toward a more equitable and effective behavioral health system. We urge a favorable report on HB 772.

For these reasons, we urge a favorable report.

Stephanie Slowly-Little
Executive Director
National Alliance on Mental Illness, Maryland

Contact: Morgan Mills-DiEnno
Compass Government Relations
Mmills@compassadvocacy.com

NCADD-MD - 2026 HB 772 FAV - Workgroup on Behavior
Uploaded by: Nancy Rosen-Cohen
Position: FAV

Senate Finance Committee
March 31, 2026

House Bill 772 - Behavioral Health Rate Methodology Modernization - Workgroup Establishment and Study

Support

NCADD-Maryland supports House Bill 772 as amended in the House. The intent of the bill is to build into the rate-setting methodology, greater collaboration with providers and greater accountability with the State.

Consultants who are conducting the study need to have their work informed by the people who are responsible for running behavioral health programs. Meaningful participation means working collaboratively to not just identify what looks like a good policy, but making sure it is implementable.

We also believe that to produce recommendations that we all can be confident in, a state organization that is independent from the funding function should be in the lead. With the Maryland Health Care Commission overseeing this substantial project, we believe the product will be seen as more objective.

Finally, the original mandate for this rate-setting study was created in 2017 and was intended to be inclusive of all levels of substance use and mental health care. We strongly support the amendments that broaden the study to all levels of substance use disorder and mental health care.

We therefore urge a favorable report on House Bill 772.

CBH-FAV-HB772-FIN.pdf
Uploaded by: Nicole Graner
Position: FAV

COMMUNITY BEHAVIORAL HEALTH ASSOCIATION OF MARYLAND

HB772 – Workgroup on Behavioral Health Rate Methodology Modernization – Establishment

Senate Finance Committee

March 31, 2026

POSITION: SUPPORT

My name is Nicole Graner and I am the Director of Government Affairs and Public Policy for the Community Behavioral Health Association of Maryland. I am pleased to submit written testimony in strong support of House Bill 772 and urge a favorable report.

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of Marylanders across the state. Our 95 members serve the majority of individuals who access care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, and crisis intervention.

Our members have operated for years under reimbursement rates that do not reflect what it costs to deliver quality care. When rates fall short of real costs, providers face impossible choices: cut services, reduce staff, or close programs. The people who depend on those services, our neighbors, our family members, people working hard in recovery, are the ones who pay the price. Rate modernization is not an administrative exercise; it is essential to keeping care accessible for the Marylanders who need it most.

CBH supported the original bill, and strongly support the amended version. The amendments transform HB772 from a standalone workgroup into a coordinated, action-forcing framework and that distinction matters. The amended bill requires MDH to use the ongoing cost study mandated by the HOPE Act of 2017 in direct coordination with the Workgroup's recommendations. This ensures the Workgroup is not merely advisory but directly shapes State action, creating a clear path from data, to methodology, to implementation.

The amendments also establish the Maryland Health Care Commission as a neutral facilitator bringing independent analytical credibility and a transparent, stakeholder-driven process that providers have long called for. A designated technical liaison between MDH and MHCC will keep the work connected across agencies and prevent the kind of fragmentation that has undermined past efforts. And critically, rates will be grounded in actual provider cost data, capturing workforce, supervision, and compliance costs rather than outdated assumptions. A realistic timeline with aligned reporting deadlines reflects the complexity of this work while keeping accountability front and center.

Maryland has set ambitious goals for its behavioral health system including reducing emergency department boarding, expanding crisis services, and stabilizing the workforce. None of those goals can be achieved if the providers delivering those services cannot keep their doors open. HB772, as amended, is the foundation this can be built on.

For these reasons, CBH respectfully urges a favorable report on House Bill 772.

For more information contact Nicole Graner, Director of Government Affairs and Public Policy, at Nicole@MDCBH.org.

HB 772 - FAV - UMMS (Senate Hearing).pdf
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Position: FAV

UNIVERSITY of MARYLAND MEDICAL SYSTEM

House Bill 772 – Workgroup on Behavioral Health Rate Methodology Modernization – Establishment

POSITION: Favorable
March 31, 2026
Senate Finance Committee

The University of Maryland Medical System ("UMMS") strongly supports House Bill 772 – Workgroup on Behavioral Health Rate Methodology Modernization – Establishment.

House Bill 772 ("HB 772") would establish a Workgroup on Behavioral Health Rate Methodology Modernization to develop transparent, cost-based reimbursement methodologies for certified community behavioral health clinics and outpatient mental health centers. The workgroup would be composed of legislators, state executive branch officials, and providers, and be tasked with analyzing cost drivers and rate systems in other states and propose one or more methodologies that comply with federal Medicaid rules. The Workgroup must report interim findings by December 1, 2026, and final recommendations, including any recommended statutory or regulatory changes, to the Governor and General Assembly by October 1, 2027.

House Bill 772 would modernize and strengthen Maryland's behavioral health reimbursement framework to better align payment rates with the actual cost of providing care. The legislation seeks to address longstanding disparities in how behavioral health services are reimbursed compared to other medical specialties and aims to promote network adequacy and access to care. By updating reimbursement methodologies and improving parity in coverage, the bill will work to ensure that behavioral health providers can sustainably deliver high-quality inpatient and outpatient services.

Simply put, behavioral health providers in Maryland are not compensated in line with other medical specialties, and this adversely impacts access to care. Behavioral health clinicians are reimbursed approximately 23 percent less than clinicians performing similar services in other areas of medicine.[1] This persistent disparity undermines the sustainability of behavioral health programs and makes it more difficult to recruit and retain qualified clinicians. Without equitable reimbursement, health systems face structural challenges in maintaining the services Marylanders depend on.

Disparities in reimbursement are a contributing factor in the ongoing behavioral health workforce shortage. An estimated 32,000 additional workers are needed by 2028 to meet

[1] Mark, T. L., & Parish, W. J. (2024). Behavioral health parity – Pervasive disparities in access to in-network care continue. RTI International. (Available at https://www.rti.org/publication/behavioral-health-parity-pervasive-disparities-access-network-care-continue).

projected behavioral health demand in the State, and according to a recent report by the Maryland Health Care Commission, inadequate compensation is a significant factor.[2] Ensuring appropriate reimbursement is a critical step toward building a stable workforce capable of addressing the growing prevalence of anxiety, depression, substance use disorders, and other acute behavioral health conditions across the state.

One concern raised by opponents to rate reform is that overall health care costs will increase, UMMS does not believe this will be the case. Outpatient and inpatient behavioral health services delivered in certified community behavioral health clinics and outpatient mental health centers are significantly less expensive than care delivered in emergency departments or acute care hospitals. For example, in FY25, outpatient care at the Klein Family Center at the University of Maryland Upper Chesapeake Health was $222 per outpatient visit and $779 per day for residential treatment. In contrast, the average emergency department visit costs $1,190, and an acute care inpatient admission averages $20,095 per stay. Investing in sustainable reimbursement for community-based behavioral health services reduces overall system costs, decreases avoidable emergency department utilization, and prevents unnecessary hospitalizations.

The Klein Family Center as a Case Study

The Klein Family Center serves as a core component of the regional behavioral health system, consistently demonstrating strong outcomes, expanded access to care, reduced emergency department utilization, fewer avoidable inpatient admissions, and measurable clinical improvements for individuals experiencing behavioral health crises. Klein provides essential services to residents of Harford County and to patients from Cecil and Baltimore Counties, serving Medicaid, Medicare, and commercially insured individuals, with policies ensuring treatment regardless of ability to pay. Despite its critical role, Klein's current reimbursement model results in persistent annual operating losses estimated between $2 million and $3 million. Internal financial analyses have found that Medicare and Medicaid reimbursement rates do not cover the cost of residential care, creating a structural shortfall.

For these reasons, the University of Maryland Medical System supports HB 772, and respectfully requests a ***favorable*** report on the bill.

For more information, please contact:

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[2] Investing in Maryland's Future: A needs assessment to inform the design of the Behavioral Health Workforce Investment Fund established by the Maryland legislature through Senate Bill 283, Maryland Health Care Commission (2024), Available at https://marylandmatters.org/wp-content/uploads/2024/11/Full-Report_Maryland-BH-Workforce-Assessment-_Final-Oct-2024.pdf.

HB0772 - Senate_FWA_MedChi_BH Rate Methodology Mod
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Senate Finance Committee
March 31, 2026
House Bill 772 – *Behavioral Health Rate Methodology Modernization – Workgroup Establishment and Study*
POSITION: SUPPORT WITH AMENDMENT

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports House Bill 772 with amendment**.

The amended bill establishes a temporary workgroup within the Maryland Health Care Commission to develop cost-based reimbursement methodologies for Certified Community Behavioral Health Clinics, outpatient mental health centers, and independent outpatient providers. MedChi supports the sponsor's efforts to address patient access to mental health care by examining reimbursement rates and methodologies. MedChi shares the goal of making Maryland's behavioral health system sustainable in the long term, and we believe this bill will help ensure financial viability and access to mental and behavioral health services in Maryland.

House Bill 772 establishes a broad workgroup that includes legislators, state officials, behavioral health providers, hospitals, consumer representatives, and an actuarial expert, but it does not explicitly include a physician representative. Therefore, we respectfully request a minor amendment to *add a MedChi physician to the workgroup membership*. This will ensure direct physician input on cost drivers, staffing and supervision requirements, regulatory burdens, and the clinical realities of delivering behavioral health services.

Physician participation would strengthen the workgroup's recommendations by aligning cost-based reimbursement methodologies with real-world care delivery and patient outcomes. With its amendment noted, MedChi supports House Bill 772.

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