

(5) Payments under this subsection shall be reduced each year and shall end in Fiscal Year 2004.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Health - General

15-103.

(e) (2) (i) The reasonable cost to a federally qualified health center in providing services to enrollees shall be [determined in accordance with § 1902(a)(13)(C)(i) of the Social Security Act, as amended by the Balanced Budget Act of 1997, and any applicable regulations] A PROSPECTIVE RATE THAT THE DEPARTMENT, IN CONSULTATION WITH FEDERALLY QUALIFIED HEALTH CENTERS, ESTABLISHES BY REGULATION.

SECTION 3. AND BE IT FURTHER ENACTED, That, before October, 1999, the Department of Health and Mental Hygiene, in consultation with federally qualified health centers, shall adopt regulations that establish as a prospective rate the reasonable cost to a federally qualified health center in providing services to enrollees of the State Medical Assistance Program.

SECTION 4. AND BE IT FURTHER ENACTED, That the Department of Health and Mental Hygiene, in consultation with the Mid-Atlantic Association of Community Health Centers and the Medicaid managed care organizations, shall:

(a) Study alternative means for improving the viability of federally qualified health centers serving clients in the HealthChoice Program; and

(b) On or before January 1, 2000, submit a report on its findings to the Governor and, subject to § 2-1246 of the State Government Article, the Senate Finance Committee and the House Environmental Matters Committee.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect ~~July 1, 1999, contingent on the taking effect of regulations as provided under Section 3 of this Act on the date that the regulations adopted under Section 3 of this Act take effect.~~ Within 5 days after final adoption of the regulations under Section 3 of this Act, the Department of Health and Mental Hygiene shall certify in writing to the Department of Legislative Services the date on which the regulations take effect.

SECTION 2. 6. AND BE IT FURTHER ENACTED, ~~That~~ That, subject to Section 5 of this Act, this Act shall take effect July 1, 1999.

May 27, 1999

The Honorable Thomas V. Mike Miller, Jr.  
President of the Senate  
State House  
Annapolis MD 21401

Dear Mr. President: