

~~ADEQUATE REIMBURSEMENT RATES THAT REFLECT SIMILAR RATES PAID IN THE COMMUNITY AND NATIONAL AND STATE INFLATION RATES.~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) The Department of Health and Mental Hygiene shall:

(1) establish a process to annually set the fee-for-service reimbursement rates for the Maryland Medical Assistance Program and the Maryland Children's Health Program in a manner that ensures participation of providers; and

(2) in developing the process required under item (1) of this subsection, consider:

(i) a reimbursement system that reflects reimbursement fee-for-service rates paid in the community as well as annual medical inflation; or

(ii) the Resource Based Relative Value Scale system used in the federal Medicare program or American Dental Association CPT-3 Codes.

(b) On or before September 1, 2001, the Department shall submit a report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee, the Senate Budget and Taxation Committee, the House Environmental Matters Committee, and the House Appropriations Committee on:

(1) its progress in complying with subsection (a) of this section;

(2) an analysis of the fee-for-service reimbursement rates paid in other states and how those rates compare with those in Maryland;

(3) its schedule for bringing Maryland's fee-for-service reimbursement rates to a level that assures that all health care providers are reimbursed adequately to provide access to care; and

(4) an analysis on the estimated costs of implementing the schedule and any proposed changes to the fee-for-service reimbursement rates for the Maryland Medical Assistance Program and the Maryland Children's Health Program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2001.

May 17, 2001

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

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today