

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.

(3) (I) AT THE REQUEST OF A FEDERALLY QUALIFIED HEALTH CENTER, THE DEPARTMENT SHALL REVIEW THE PAYMENTS MADE TO THE CENTER BY A MEDICAID MANAGED CARE ORGANIZATION THAT HAS A CONTRACTUAL ARRANGEMENT WITH THE CENTER TO DETERMINE THE DIFFERENCE BETWEEN THE PAYMENTS MADE TO THE CENTER AND THE REASONABLE COST TO THE CENTER IN PROVIDING SERVICES TO ENROLLEES OF THE MANAGED CARE ORGANIZATION.

(II) IF A MANAGED CARE ORGANIZATION PAYMENT TO A CENTER IS LESS THAN THE CENTER'S REASONABLE COST, THE DEPARTMENT SHALL SET ASIDE A PORTION OF THE CAPITATION PAYMENT TO THE MANAGED CARE ORGANIZATION FOR A SUPPLEMENTAL PAYMENT TO THE CENTER, IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPHS (1) AND (2) OF THIS SUBSECTION.

(3) (4) IN CARRYING OUT THE PAYMENT REQUIREMENTS OF THIS SUBSECTION, THE DEPARTMENT:

(I) MAY NOT DELEGATE RESPONSIBILITY FOR SUCH PAYMENTS TO THE MANAGED CARE ORGANIZATION OR ANY OTHER ENTITY; AND

(II) SHALL BE RESPONSIBLE FOR MAKING SUCH PAYMENTS DIRECTLY TO THE FEDERALLY QUALIFIED HEALTH CENTER.

(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 Department of Health and Mental Hygiene shall report to the Senate Finance Committee and the House Environmental Matters Committee on the implementation of this Act on or before September 1, 1998.

SECTION 2-3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1998. It shall remain effective for a period of 6 years and, at the end of June 30, 2004, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved May 12, 1998.

## CHAPTER 435

(House Bill 1158)

AN ACT concerning

### Medical Assistance - Federally Qualified Health Centers - Supplemental Payment

FOR the purpose of establishing a supplemental payment to federally qualified health centers to be paid by the Department of Health and Mental Hygiene in