SENATE BILL 39

J1 6lr1650

(PRE–FILED)

By: **Senator Lam**
Requested: November 1, 2025
Introduced and read first time: January 14, 2026
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 19, 2026

CHAPTER _____

AN ACT concerning

Behavioral Health ~~– Certified Community Behavioral Health Clinics and Outpatient Mental Health Centers – Reimbursement Rates~~ Rate Methodology Modernization – Workgroup Establishment and Study

FOR the purpose of requiring the Maryland Department of Health, rather than the Behavioral Health Administration and the Medical Care Programs Administration, to conduct a certain rate–setting study; requiring the Department to review and implement certain recommendations and administer certain tools and oversee certain submissions required to support a certain study; requiring the Maryland Health Care Commission to assist the Department with the facilitation of a certain study; altering the date by which the rate–setting study is to be completed; requiring the Secretary of Health, or the Secretary's designee, to designate a representative of the Administration to be a certain technical liaison; authorizing the Commission, rather than the Department, to require community providers to submit certain information for the completion of a certain report; altering certain requirements related to the submission of a certain interim report and when certain annual reports must be submitted; establishing the Workgroup on ~~Certified~~ Behavioral Health ~~Clinic Implementation and~~ Rate Methodology Modernization in the ~~Behavioral Health Administration~~ Commission to develop certain reimbursement methodologies for certified community behavioral health clinics, outpatient mental health centers, and independent outpatient providers; ~~requiring the Maryland Department of Health to conduct a certain rate study of outpatient mental health centers in the State; requiring the Department to convene an outpatient mental health services rate reform advisory panel to review and approve a certain rate~~

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

~~methodology; requiring the Department to increase the Maryland Medical Assistance Program reimbursement rate for outpatient mental health centers by a certain percentage in certain fiscal years;~~ and generally relating to ~~certified community behavioral health clinics and outpatient mental health centers~~ behavioral health rate methodology modernization.

BY repealing and reenacting, with amendments,
Article – Health – General
Section 16–201.3(e) and (h)
Annotated Code of Maryland
(2023 Replacement Volume and 2025 Supplement)

~~BY adding to~~
~~Article – Health – General~~
~~Section 7.5–211 and 15–160~~
~~Annotated Code of Maryland~~
~~(2023 Replacement Volume and 2025 Supplement)~~

~~Preamble~~

~~WHEREAS, The State has operated certified community behavioral health clinics (CCBHC) under limited federal grant funding since 2018, serving thousands of State residents with integrated mental health and substance use care; and~~

~~WHEREAS, The CCBHC model has demonstrated improvements in access, care coordination, health outcomes, and reductions in emergency department utilization and inpatient stays; and~~

~~WHEREAS, The State must move from a grant–funded pilot approach to CCBHCs to a sustainable statewide model with a clear rate methodology, ensuring that behavioral health providers can continue to deliver high–quality, evidence–based, value–driven care; and~~

~~WHEREAS, Outpatient mental health centers (OMHC) are a cornerstone of the State's behavioral health system, providing community–based treatment for individuals with serious mental health conditions; and~~

~~WHEREAS, OMHCs are in financial crisis due to inadequate and outdated reimbursement rates that fail to reflect the true cost of service delivery, workforce needs, and compliance requirements; and~~

~~WHEREAS, The State currently lacks a formal, transparent rate–setting methodology for OMHCs and CCBHCs, leading to inconsistent and unsustainable reimbursement practices; and~~

~~WHEREAS, The closure of OMHCs, such as in Frederick County, demonstrates the urgent risk to access and continuity of care across the State if rate inadequacies remain unaddressed; and~~

~~WHEREAS, The General Assembly recognizes the importance of establishing parity between behavioral health and somatic health services, including through transparent, cost–driven rate reform; now, therefore,~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Health – General

16–201.3.

(e) **(1) IN THIS SUBSECTION, "COMMISSION" MEANS THE MARYLAND HEALTH CARE COMMISSION.**

[(1)**]** **(2)** **[**The Behavioral Health Administration and the Medical Care Programs Administration jointly**]** **ON OR BEFORE JUNE 30, 2028, THE DEPARTMENT** shall:

(i) Conduct an independent cost–driven, rate–setting study to set community provider rates for community–based behavioral health services that includes a rate analysis and an impact study that considers the actual cost of providing community–based behavioral health services;

[(ii) Develop and implement a payment system incorporating the findings of the rate–setting study conducted under item (i) of this paragraph, including projected costs of implementation and recommendations to address any potential shortfall in funding; and**]**

(II) REVIEW AND IMPLEMENT THE RECOMMENDATIONS OF THE WORKGROUP ON BEHAVIORAL HEALTH RATE METHODOLOGY MODERNIZATION ESTABLISHED BY CHAPTER _____ (S.B. 39) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2026; AND

(III) ADMINISTER COST–REPORTING TOOLS AND OVERSEE COST–REPORT SUBMISSIONS REQUIRED TO SUPPORT THE STUDY REQUIRED UNDER ITEM (I) OF THIS PARAGRAPH.

(3) THE COMMISSION SHALL ASSIST THE DEPARTMENT WITH THE FACILITATION OF THE RATE–SETTING STUDY REQUIRED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION, INCLUDING BY:

[(iii)**] (I) [**Consult**] CONSULTING** with stakeholders, including community providers and individuals receiving services**[**, in conducting the rate–setting study and developing the payment system required by this paragraph**]; AND**

(II) PROVIDING ANALYTICAL SUPPORT AND TECHNICAL ASSISTANCE.

(4) THE BEHAVIORAL HEALTH ADMINISTRATION AND THE MEDICAL CARE PROGRAMS ADMINISTRATION JOINTLY SHALL:

(I) DEVELOP AND IMPLEMENT A PAYMENT SYSTEM INCORPORATING THE FINDINGS OF THE RATE–SETTING STUDY CONDUCTED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION; AND

(II) CONSULT WITH STAKEHOLDERS, INCLUDING COMMUNITY PROVIDERS AND INDIVIDUALS RECEIVING SERVICES, IN DEVELOPING THE PAYMENT SYSTEM REQUIRED UNDER ITEM (I) OF THIS PARAGRAPH.

[(2) The Administration, on or before September 30, 2019, shall complete the study required under paragraph (1)(i) of this subsection.**]**

[(3)**] (5)** The Administration shall adopt regulations to implement the payment system required by paragraph **[**(1)**] (4)(I)** of this subsection.

(6) (I) THE SECRETARY, OR THE SECRETARY'S DESIGNEE, SHALL DESIGNATE A REPRESENTATIVE OF THE ADMINISTRATION TO SERVE AS A TECHNICAL LIAISON BETWEEN THE DEPARTMENT AND THE COMMISSION.

(II) THE TECHNICAL LIAISON SHALL:

1. PROVIDE TECHNICAL INPUT FOR THE COMPLETION OF THE STUDY REQUIRED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION REGARDING MEDICAID POLICY, BEHAVIORAL HEALTH REIMBURSEMENT STRUCTURES, AND EXISTING DATA SOURCES;

2. ENSURE CONTINUITY BETWEEN THE DEPARTMENT'S WORK REGARDING THE COMPLETION OF THE STUDY REQUIRED UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION AND THE COMMISSION'S FACILITATION OF THE WORKGROUP ON BEHAVIORAL HEALTH RATE METHODOLOGY MODERNIZATION ESTABLISHED UNDER CHAPTER ____ (S.B. 39) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2026; AND

3. COORDINATE THE COMMISSION'S ACCESS TO EXISTING ANALYTICAL WORK OR STUDY PREPARATION THAT HAS BEEN COMPLETED BY THE DEPARTMENT IN COMPLYING WITH PARAGRAPH (2) OF THIS SUBSECTION.

(h) (1) On or before **[**December**]** **JANUARY** 1, **[**2018**]** **2028**, the **[**Department**]** **COMMISSION** shall submit an interim report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on **[**the**]:**

(I) **THE** delivery system through which community–based behavioral health services should be provided**;**

(II) **THE STATUS OF THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE WORKGROUP ON BEHAVIORAL HEALTH RATE METHODOLOGY MODERNIZATION ESTABLISHED UNDER CHAPTER ____ (S.B. 39) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2026;** and **[**any**]**

(III) **ANY** preliminary recommendations regarding the payment system required under this section.

(2) On or before December 1, **[**2019**]** **2028**, and on or before December 1 each year thereafter, the **[**Department**]** **COMMISSION** shall submit a report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on the impact of the rate adjustments and the payment system required under this section on community providers, including the impact on:

(i) The wages and salaries paid and the benefits provided to direct care staff and licensed clinicians employed by community providers;

(ii) The tenure and turnover of direct care staff and licensed clinicians employed by community providers; and

(iii) The ability of community providers to recruit qualified direct care staff and licensed clinicians.

(3) The **[**Department**]** **COMMISSION** may require a community provider to submit, in the form and manner required by the **[**Department**]** **COMMISSION**, information that the **[**Department**]** **COMMISSION** considers necessary for completion of the report required under paragraph (2) of this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) There is a Workgroup on Behavioral Health Rate Methodology Modernization in the Maryland Health Care Commission.

(b) The purpose of the Workgroup is to develop transparent, cost–based reimbursement methodologies for certified community behavioral health clinics, outpatient mental health centers, and independent outpatient providers using federally required and existing cost–study data as the foundation for future rate reform.

(c) The Workgroup consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Executive Director of the Maryland Health Care Commission, or the Executive Director's designee;

(4) one representative of the Maryland Medical Assistance Program, designated by the Secretary of Health;

(5) the representative of the Behavioral Health Administration designated as technical liaison under § 16–201.3(e)(6) of the Health – General Article, as enacted by Section 1 of this Act;

(6) three representatives of community behavioral health providers designated by the Community Behavioral Health Association of Maryland, including:

(i) at least one provider from a certified community behavioral health clinic participating in the federal demonstration; and

(ii) at least one provider from an outpatient mental health center;

(7) one representative of the Licensed Clinical Professional Counselors of Maryland, designated by the President of the Association;

(8) one representative of MedChi, the Maryland State Medical Society, designated by the Executive Director of MedChi; and

(9) the following members, jointly appointed by the Speaker of the House and the President of the Senate:

(i) one representative of a statewide hospital association;

(ii) one representative of a specialty psychiatric hospital;

(iii) one representative of a consumer or peer–led behavioral health advocacy organization;

(iv) one independent actuarial or health–economics expert with Medicaid experience; and

(v) any additional members determined necessary by the cochairs in consultation with the Workgroup.

(d) The President of the Senate and the Speaker of the House jointly shall designate one legislative member and one provider member to serve as cochairs of the Workgroup.

(e) The Maryland Health Care Commission, in consultation with the Maryland Department of Health, the Department of Legislative Services, and the Community Behavioral Health Association of Maryland, shall provide staff for the Workgroup.

(f) A member of the Workgroup:

(1) may not receive compensation as a member of the Workgroup; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(g) The Workgroup shall:

(1) use the federally required certified community behavioral health clinic cost study as the baseline dataset for evaluating outpatient mental health service costs in the State;

(2) review and analyze cost drivers for outpatient behavioral health services, including:

(i) staffing mix and workforce models;

(ii) medical director and clinical supervision requirements;

(iii) contractor versus salaried structures;

(iv) geographic and volume variation;

(v) compliance with State and federal regulatory requirements, including COMAR 10.63;

(vi) differentiation of costs between nonprofit and for–profit organizations;

(vii) ratio of services delivered by telehealth; and

(viii) size and volume of group–based services;

(3) approve methodologies for analyzing outpatient costs and the Maryland Department of Health's completion of the study required under § 16–201.3(e)(2)(i) of the Health – General Article, as enacted by Section 1 of this Act, that include:

(i) cost reporting structures;

(ii) sampling methodologies that exclude all programs founded after 2020;

(iii) allocation of overhead and administrative costs;

(iv) differentiation of the treatment of revenues of providers that are from Medicaid and sources other than Medicaid; and

(v) modeling approaches used to estimate sustainable reimbursement rates;

(4) evaluate reimbursement methodologies used in other states and federal demonstration programs;

(5) (i) subject to item (ii) of this item, develop one or more cost–based, rate–setting methodologies applicable to certified community behavioral health clinics, outpatient mental health centers, and independent outpatient providers that include:

1. re–evaluating and rebasing reimbursement rates under the Certified Community Behavioral Health Clinic Payment Model in demonstration year two and every 3 years thereafter;

2. assumptions, cost–model components, and inflationary adjustments; and

3. integration of data and analyses produced under the cost–driven rate–setting study required under § 16–201.3(e)(2)(i) of the Health – General Article, as enacted by Section 1 of this Act, to the extent the data and analyses are available; and

(ii) build on all previously completed and ongoing cost–reporting and analytical work related to setting community provider rates for community–based behavioral health services in developing methodologies under item (i) of this item, including, to the extent available:

1. the independent cost–driven analysis required under § 16–201.3(e)(2)(i) of the Health – General Article, as enacted by Section 1 of this Act;

2. the certified community behavioral health clinic cost and rate study required by the 2025 Joint Chairmen's Report; and

3. cost reporting tools and submission review processes required under § 16–201.3(e)(2)(iii) of the Health – General Article, as enacted by Section 1 of this Act;

(6) ensure all recommended methodologies comply with both federal Medicaid financing rules and the Medicaid Upper Payment Limit and provide recommendations on strategies to implement the recommended methodologies while remaining compliant with federal requirements;

(7) identify any regulatory or statutory barriers to statewide implementation of cost–based, rate–setting methodologies; and

(8) propose options for phased statewide implementation of cost–based, rate–setting methodologies when fiscal conditions allow.

(h) (1) On or before June 1, 2027, the Workgroup shall submit an interim report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

(2) On or before December 1, 2027, the Workgroup shall submit a final report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly that includes:

(i) recommended rate–setting methodologies;

(ii) assumption and cost–model components;

(iii) options for phased implementation;

(iv) estimated fiscal considerations; and

(v) any recommended statutory or regulatory changes.

(i) This section does not:

(1) require an immediate rate increase;

(2) mandate an appropriation; or

(3) create a fiscal obligation in the absence of subsequent legislative or budgetary action.

~~**7.5–211.**~~

~~(A) THERE IS A WORKGROUP ON CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC IMPLEMENTATION AND RATE METHODOLOGY IN THE ADMINISTRATION.~~

~~(B) THE WORKGROUP CONSISTS OF THE FOLLOWING MEMBERS:~~

~~(1) TWO MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE SENATE;~~

~~(2) TWO MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE;~~

~~(3) THE DEPUTY SECRETARY OF BEHAVIORAL HEALTH, OR THE DEPUTY SECRETARY'S DESIGNEE; AND~~

~~(4) THE FOLLOWING MEMBERS, APPOINTED BY THE SECRETARY:~~

~~(I) ONE REPRESENTATIVE OF THE MARYLAND MEDICAID ADMINISTRATION;~~

~~(II) THREE REPRESENTATIVES OF COMMUNITY BEHAVIORAL HEALTH PROVIDERS, INCLUDING AT LEAST ONE PROVIDER OPERATING A CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC THROUGH A FEDERAL GRANT;~~

~~(III) ONE REPRESENTATIVE OF A STATEWIDE HOSPITAL ASSOCIATION;~~

~~(IV) ONE REPRESENTATIVE OF A SPECIALTY PSYCHIATRIC HOSPITAL;~~

~~(V) ONE REPRESENTATIVE OF A CONSUMER OR PEER–LED BEHAVIORAL HEALTH ADVOCACY ORGANIZATION; AND~~

~~(VI) ANY ADDITIONAL MEMBERS AS DETERMINED NECESSARY BY THE COCHAIRS IN CONSULTATION WITH THE WORKGROUP.~~

~~(C) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE JOINTLY SHALL DESIGNATE ONE LEGISLATIVE MEMBER AND ONE PROVIDER MEMBER TO SERVE AS COCHAIRS OF THE WORKGROUP.~~

~~(D) THE COMMUNITY BEHAVIORAL HEALTH ASSOCIATION OF MARYLAND, IN COLLABORATION WITH THE DEPARTMENT, MAY PROVIDE STAFF FOR THE WORKGROUP.~~

~~(E) A MEMBER OF THE WORKGROUP:~~

~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE WORKGROUP; BUT~~

~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

~~(F) THE WORKGROUP SHALL:~~

~~(1) REVIEW THE COST OF OPERATING CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS IN THE STATE, INCLUDING STAFF, INFRASTRUCTURE, AND COMPLIANCE REQUIREMENTS;~~

~~(2) EVALUATE RATE METHODOLOGIES USED IN OTHER STATES FOR CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS AND RECOMMEND AN APPROPRIATE PROSPECTIVE PAYMENT SYSTEM OR ALTERNATIVE RATE METHODOLOGY FOR THE STATE;~~

~~(3) ASSESS THE FINANCIAL AND CLINICAL OUTCOMES OF THE STATE'S EXISTING CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC GRANTEES, INCLUDING DATA ON UTILIZATION, QUALITY MEASURES, AND COST OFFSETS;~~

~~(4) RECOMMEND STRATEGIES TO INTEGRATE CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS INTO THE STATE'S BEHAVIORAL HEALTH AND MARYLAND MEDICAL ASSISTANCE PROGRAM FINANCING SYSTEM, INCLUDING ALIGNMENT WITH THE ACHIEVING HEALTHCARE EFFICIENCY THROUGH ACCOUNTABLE DESIGN (AHEAD) MODEL AND OTHER FEDERAL INITIATIVES;~~

~~(5) IDENTIFY ANY REGULATORY OR STATUTORY BARRIERS TO STATEWIDE IMPLEMENTATION OF CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS, INCLUDING LICENSURE, REPORTING, AND DATA SHARING REQUIREMENTS; AND~~

~~(6) PROPOSE A TIMELINE FOR STATEWIDE IMPLEMENTATION AND SUSTAINABILITY OF CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS.~~

~~(G) ON OR BEFORE DECEMBER 1, 2027, THE WORKGROUP SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.~~

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

~~**Article – Health – General**~~

~~**15–160.**~~

~~**(A) THE DEPARTMENT SHALL CONDUCT A COST–DRIVEN RATE STUDY OF OUTPATIENT MENTAL HEALTH CENTERS IN THE STATE TO DETERMINE:**~~

~~**(1) THE ACTUAL COST OF PROVIDING OUTPATIENT MENTAL HEALTH CENTER SERVICES, INCLUDING PERSONNEL, OVERHEAD, AND COMPLIANCE REQUIREMENTS;**~~

~~**(2) THE ADEQUACY OF CURRENT PROGRAM REIMBURSEMENT RATES RELATIVE TO THE COSTS IDENTIFIED UNDER ITEM (1) OF THIS SUBSECTION; AND**~~

~~**(3) A METHODOLOGY FOR ESTABLISHING SUSTAINABLE, COST–BASED REIMBURSEMENT RATES THAT ALIGN WITH ACCESS, WORKFORCE RETENTION, AND PARITY WITH SOMATIC HEALTH CARE.**~~

~~**(B) IN CONDUCTING THE STUDY REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, THE DEPARTMENT SHALL:**~~

~~**(1) SOLICIT INPUT FROM OUTPATIENT MENTAL HEALTH CENTER PROVIDERS, COMMUNITY BEHAVIORAL HEALTH ASSOCIATIONS, CONSUMER ADVOCACY ORGANIZATIONS, AND OTHER RELEVANT STAKEHOLDERS;**~~

~~**(2) REVIEW RATE METHODOLOGIES FROM OTHER STATES AND FEDERAL DEMONSTRATION PROGRAMS, INCLUDING CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS;**~~

~~**(3) CONSIDER THE IMPACT OF INADEQUATE REIMBURSEMENT ON SERVICE ACCESS, PROVIDER SOLVENCY, WORKFORCE RECRUITMENT AND RETENTION, CONTINUITY OF CARE, AND EMERGENCY ROOM UTILIZATION AND BOARDING;**~~

~~**(4) CONSIDER SOCIETAL IMPACTS, INCLUDING COSTS, OF INADEQUATE REIMBURSEMENT ON HOMELESSNESS, CRIMINAL JUSTICE INVOLVEMENT, AND UNEMPLOYMENT; AND**~~

~~**(5) DEVELOP RECOMMENDATIONS, INCLUDING LEGISLATIVE AND BUDGETARY RECOMMENDATIONS, FOR A TRANSPARENT, COST–BASED**~~

~~RATE-SETTING METHODOLOGY FOR OUTPATIENT MENTAL HEALTH CENTER SERVICES.~~

~~(C) (1) THE DEPARTMENT SHALL CONVENE AN OUTPATIENT MENTAL HEALTH CENTERS RATE REFORM ADVISORY PANEL THAT INCLUDES:~~

~~(I) AT LEAST THREE REPRESENTATIVES OF OUTPATIENT MENTAL HEALTH CENTER PROVIDERS OF VARYING SIZE AND GEOGRAPHY;~~

~~(II) ONE INDEPENDENT ACTUARIAL OR HEALTH ECONOMICS EXPERT; AND~~

~~(III) ANY OTHER STAKEHOLDERS IDENTIFIED BY THE DEPARTMENT.~~

~~(2) THE ADVISORY PANEL SHALL REVIEW AND APPROVE THE RATE-SETTING METHODOLOGY RECOMMENDED BY THE DEPARTMENT UNDER SUBSECTION (A)(3) OF THIS SECTION.~~

~~(D) (1) FOR FISCAL YEAR 2026 AND FISCAL YEAR 2027, THE DEPARTMENT SHALL INCREASE THE RATE OF REIMBURSEMENT FOR OUTPATIENT MENTAL HEALTH CENTERS BY AT LEAST 3% BASED ON THE REIMBURSEMENT RATE IN THE IMMEDIATELY PRECEDING FISCAL YEAR.~~

~~(2) (I) THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2027 AND FISCAL YEAR 2028 SHALL INCLUDE RATE ADJUSTMENTS FOR OUTPATIENT MENTAL HEALTH CENTERS OF AT LEAST 3% BASED ON THE FUNDING PROVIDED IN THE LEGISLATIVE APPROPRIATION FOR THE IMMEDIATELY PRECEDING FISCAL YEAR FOR OUTPATIENT MENTAL HEALTH CENTERS.~~

~~(II) THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER SHALL INCLUDE FUNDING FOR OUTPATIENT HEALTH CENTERS SUFFICIENT TO IMPLEMENT THE COST–BASED REIMBURSEMENT METHODOLOGY ADOPTED BY THE DEPARTMENT IN ACCORDANCE WITH THIS SECTION.~~

~~(E) ON OR BEFORE JULY 1, 2027, THE DEPARTMENT SHALL ADOPT REGULATIONS ESTABLISHING A COST–BASED REIMBURSEMENT METHODOLOGY FOR OUTPATIENT MENTAL HEALTH CENTER SERVICES THAT INCORPORATES THE FINDINGS OF THE STUDY REQUIRED UNDER SUBSECTION (A) OF THIS SECTION AND THE INPUT OF THE OUTPATIENT MENTAL HEALTH CENTERS RATE REFORM ADVISORY PANEL.~~

~~(F) (1) ON OR BEFORE DECEMBER 1 EACH YEAR, BEGINNING IN 2026, UNTIL THE COST-BASED REIMBURSEMENT METHODOLOGY RECOMMENDED IN ACCORDANCE WITH THIS SECTION IS FULLY IMPLEMENTED, THE DEPARTMENT SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.~~

~~(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:~~

~~(I) A PROGRESS UPDATE ON THE STUDY REQUIRED UNDER SUBSECTION (A) OF THIS SECTION;~~

~~(II) AN IMPLEMENTATION TIMELINE FOR THE IMPLEMENTATION OF THE REIMBURSEMENT METHODOLOGY REQUIRED BY THIS SECTION;~~

~~(III) THE ESTIMATED FISCAL IMPACT AND FUNDING NEEDS RELATED TO THE IMPLEMENTATION OF THE REIMBURSEMENT METHODOLOGY; AND~~

~~(IV) INTERIM OUTCOMES FOR OUTPATIENT MENTAL HEALTH SERVICES PROVIDERS RESULTING FROM THE ANNUAL RATE INCREASES REQUIRED BY THIS SECTION.~~

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026. Section ~~1~~ 2 of this Act shall remain effective for a period of 2 years and, at the end of June 30, 2028, Section ~~1~~ 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved:

_____

Governor.

_____

President of the Senate.

_____

Speaker of the House of Delegates.