



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

Maryland Department of Health
Fiscal Year 2021 Operating Budget
Response to the Department of Legislative Services
Behavioral Health Administration Budget Analysis

Senate Budget and Taxation Committee
Health and Human Services Subcommittee
Chair Melony Griffith
February 20, 2020

House Appropriations Committee
Health and Social Services Subcommittee
Chair Kirill Reznik
March 2, 2020

Policy Questions

None

Budget Questions

DLS recommends amending the BRFA to delay the mandated 4% provider rate increase to January 1, 2021. This recommendation will maintain savings budgeted for fiscal 2021 across BHA. However, the DLS recommendation will not significantly impact provider reimbursement rates in the out-years or reduce overall FFS payments to providers beyond fiscal 2021. (pg. 15)

The Department respectfully disagrees with the recommendation to delay and then implement the full 4% provider rate increase. Although the recommendation does not have a fiscal impact in FY 2021, there would be a significant out-year fiscal impact from future rate increases building off of a 4% increase as opposed to the 2% increase included in the Governor's budget.

Due to concerns in fiscal 2021 adequacy and uncertainty in out-year spending, DLS recommends adding language to the budget bill that restricts the appropriations that fund behavioral health services to be used only for that purpose. (pg. 19)

The Department concurs with the recommendation.

In order to ensure accountability and complete understanding of the estimated payments required due to the new ASO's inability to process actual claims, DLS recommends adding budget bill language restricting \$1,000,000 in general funds from the Office of the Secretary budget until a report is submitted on the totality of the estimated payments. This report should be submitted by July 1, 2020, and include the number and total amount of estimated payments, the number and total amount of overpayments and underpayments during this period, the number and total amount of claims reconciled over this period and plans to recover amounts outstanding from overpayments during this period. (pg. 20)

The Department concurs with the recommendation to submit the report but respectfully disagrees with the recommended funding restriction.

MDH should comment on the availability of \$8,838,023 (\$883,802 in general funds and \$7,954,221 in federal funds) to support the implementation of the ASO transition. (pg. 21)

The availability of these funds is contingent on the delivery of a fully operational and functional system. Once the ASO system is functional, the state will pay the ASO vendor and then submit for federal matching. Funding for the ASO transition is available in the Department's FY 2020 Medicaid Major IT Project budget as a part of the MMIS Modular Transformation project with a 90%-10% match of federal funds and general funds.

DLS recommends a BRFA action reducing the fiscal 2020 allowance for the ASO contract in the BHA budget by \$575,000 (\$287,500 in general funds and \$287,500 in federal funds) to account for anticipated damages paid by the contractor. (pg. 21)

The Department respectfully suggests that the DLS recommendation is premature. The Department's focus is to work with the ASO vendor on project delivery and initial implementation. Once the project is delivered, the Department will evaluate the root cause of system issues and take appropriate contract action.

DLS recommends adopting budget bill language restricting \$250,000 from the Deputy Secretary of Behavioral Health's budget until BHA submits a report on factors contributing to the increase in [Psychiatric Rehabilitation Programs] PRP spending. This report should include analysis on the increase of PRP providers and utilization growth in nontraditional enrollment categories. (pg. 26)

The Department agrees with the recommendation but respectfully requests that the deadline be extended to December 1, 2020.

DLS recommends restricting \$250,000 from the BHA Deputy Secretary budget until a report is submitted that details potential quality measures available for the department to measure the effectiveness, availability, and appropriateness of SUD and mental health treatment in Maryland. BHA should consider ways to track and evaluate client progress through the continuum of care, changes in self-administered outcome-based client surveys, and availability of different service types throughout the State. Further consideration should be given toward MDH maintaining a list of preferred providers that is updated regularly and populated with objective measures of high-quality, specialized behavioral health care. This preferred provider list should include years of operation in Maryland and any complaints of impropriety against providers. MDH should further consult and partner with local CSAs to increase network accountability at the local level. (pg. 29)

The Department partly agrees with the recommendation; please see the attached Maryland Department of Health Behavioral Health System of Care report. The items requested by DLS above correspond to a large number of the System of Care Design Principles created with stakeholders, including Senator Kelley and Delegate R. Lewis in the fall of 2019. It would be duplicative to create a new framework for SUD quality measurement development efforts. The System of Care initiative will likely be multi-year and will not be complete by 2020. The system of care includes a focused initiative on standards-based provider network design to improve the provider network. It also includes an initiative to develop quality measures and benchmarks. As this is a complex and multi-year effort that has already involved key legislative members, the Department respectfully disagrees with the recommended funding restriction and requests that the reporting deadline be extended to an interim report to be submitted by December 1, 2020 and another report by December 1, 2021.