

SENATE BILL 39

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(PRE-FILED)

By: Senator Lam

Requested: November 1, 2025

Introduced and read first time: January 14, 2026

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Behavioral Health – Certified Community Behavioral Health Clinics and**
3 **Outpatient Mental Health Centers – Reimbursement Rates**

4 FOR the purpose of establishing the Workgroup on Certified Behavioral Health Clinic
5 Implementation and Rate Methodology in the Behavioral Health Administration;
6 requiring the Maryland Department of Health to conduct a certain rate study of
7 outpatient mental health centers in the State; requiring the Department to convene
8 an outpatient mental health services rate reform advisory panel to review and
9 approve a certain rate methodology; requiring the Department to increase the
10 Maryland Medical Assistance Program reimbursement rate for outpatient mental
11 health centers by a certain percentage in certain fiscal years; and generally relating
12 to certified community behavioral health clinics and outpatient mental health
13 centers.

14 BY adding to

15 Article – Health – General
16 Section 7.5–211 and 15–160
17 Annotated Code of Maryland
18 (2023 Replacement Volume and 2025 Supplement)

Preamble

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

8 WHEREAS, OMHCs are in financial crisis due to inadequate and outdated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

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

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

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

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

Article – Health – General**23 7.5–211.**

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

27 (B) **THE WORKGROUP CONSISTS OF THE FOLLOWING MEMBERS:**

28 (1) **TWO MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY**
29 **THE PRESIDENT OF THE SENATE;**

30 (2) **TWO MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY**
31 **THE SPEAKER OF THE HOUSE;**

32 (3) **THE DEPUTY SECRETARY OF BEHAVIORAL HEALTH, OR THE**
33 **DEPUTY SECRETARY’S DESIGNEE; AND**

1 **(4) THE FOLLOWING MEMBERS, APPOINTED BY THE SECRETARY:**

2 **(I) ONE REPRESENTATIVE OF THE MARYLAND MEDICAID**
3 **ADMINISTRATION;**

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

7 **(III) ONE REPRESENTATIVE OF A STATEWIDE HOSPITAL**
8 **ASSOCIATION;**

9 **(IV) ONE REPRESENTATIVE OF A SPECIALTY PSYCHIATRIC**
10 **HOSPITAL;**

11 **(V) ONE REPRESENTATIVE OF A CONSUMER OR PEER-LED**
12 **BEHAVIORAL HEALTH ADVOCACY ORGANIZATION; AND**

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

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

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

21 **(E) A MEMBER OF THE WORKGROUP:**

22 **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**
23 **WORKGROUP; BUT**

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

26 **(F) THE WORKGROUP SHALL:**

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

15 **(5) IDENTIFY ANY REGULATORY OR STATUTORY BARRIERS TO**
16 **STATEWIDE IMPLEMENTATION OF CERTIFIED COMMUNITY BEHAVIORAL HEALTH**
17 **CLINICS, INCLUDING LICENSURE, REPORTING, AND DATA-SHARING**
18 **REQUIREMENTS; AND**

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

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

Article – Health – General

27 15-160.

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

30 **(1) THE ACTUAL COST OF PROVIDING OUTPATIENT MENTAL HEALTH**
31 CENTER SERVICES, INCLUDING PERSONNEL, OVERHEAD, AND COMPLIANCE
32 REQUIREMENTS:

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

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

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

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

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

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

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

21 **(5) DEVELOP RECOMMENDATIONS, INCLUDING LEGISLATIVE AND**
22 BUDGETARY RECOMMENDATIONS, FOR A TRANSPARENT, COST-BASED
23 RATE-SETTING METHODOLOGY FOR OUTPATIENT MENTAL HEALTH CENTER
24 SERVICES.

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

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

29 **(II) ONE INDEPENDENT ACTUARIAL OR HEALTH ECONOMICS**
30 EXPERT; AND

31 **(III) ANY OTHER STAKEHOLDERS IDENTIFIED BY THE**
32 DEPARTMENT.

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

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

8 (2) (I) THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR
9 2027 AND FISCAL YEAR 2028 SHALL INCLUDE RATE ADJUSTMENTS FOR OUTPATIENT
10 MENTAL HEALTH CENTERS OF AT LEAST 3% BASED ON THE FUNDING PROVIDED IN
11 THE LEGISLATIVE APPROPRIATION FOR THE IMMEDIATELY PRECEDING FISCAL
12 YEAR FOR OUTPATIENT MENTAL HEALTH CENTERS.

13 (II) THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR
14 2028 AND EACH FISCAL YEAR THEREAFTER SHALL INCLUDE FUNDING FOR
15 OUTPATIENT HEALTH CENTERS SUFFICIENT TO IMPLEMENT THE COST-BASED
16 REIMBURSEMENT METHODOLOGY ADOPTED BY THE DEPARTMENT IN ACCORDANCE
17 WITH THIS SECTION.

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

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

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

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

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2026. Section 1 of this Act shall remain effective for a period of 2 years and, at the end of
11 June 30, 2028, Section 1 of this Act, with no further action required by the General
12 Assembly, shall be abrogated and of no further force and effect.