

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1461 (Delegates Hill and Haynes)
Health and Government Operations

Behavioral Health Programs – Outpatient Mental Health Centers – Medical and
Clinical Directors

This bill requires regulations governing behavioral health programs to include a provision requiring the medical director of an outpatient mental health center (OMHC) to be a licensed and appropriately trained physician. The bill authorizes a psychiatric nurse practitioner to serve as a *clinical* director of an OMHC, including through telehealth. The bill defines “medical director” as a licensed physician who is board certified or eligible to be board certified in psychiatry and a “clinical director” as an administrator or health care provider who is not a physician and who is responsible for operating expenses and budget management, facility maintenance, supervision of nonphysician clinical staff, and human resources for the facility.

Fiscal Summary

State Effect: The bill’s requirements can be handled with existing budgeted resources. Revenues are not affected.

Local Effect: The bill is not anticipated to affect local government finances or operations.

Small Business Effect: Meaningful.

Analysis

Current Law: Chapter 482 of 2019 required regulations governing behavioral health programs to include a provision authorizing a psychiatric nurse practitioner to serve as a medical director of an accredited OMHC, including through the use of telehealth.

Chapters 274 and 275 of 2019 required regulations governing behavioral health programs to include a provision authorizing an OMHC to satisfy any regulatory requirement that the medical director be on-site through the use of telehealth by the director.

Background: According to a 2017 report by the National Council Medical Director Institute, the pool of psychiatrists working with public-sector and insured populations declined by 10% between 2003 and 2013, due in part to aging of the workforce, low rates of reimbursement, burnout, burdensome documentation requirements, and restrictive regulations around sharing clinical information necessary to coordinate care. The report noted that, nationally, 77% of counties are underserved by psychiatrists, and there is a 6.4% shortage in the psychiatry workforce, which is anticipated to grow to as much as 25% by 2025.

When psychiatrists were required to be medical directors of OMHCs, some facilities had difficulty recruiting and retaining medical directors due to the shortage of psychiatrists, especially in rural areas of the State. Prior to Chapter 482 of 2019, the Behavioral Health Administration within the Maryland Department of Health (MDH) had a variance process in place for behavioral health programs, with the exception of opioid treatment programs, to allow a psychiatric nurse practitioner to *temporarily* serve as a medical director if the program is located in a federally designated health professional shortage area or if a medical director has abandoned their position.

The bill codifies Resolution 24-19 of The Maryland State Medical Society (better known as MedChi).

Small Business Effect: Small business OMHCs throughout the State have to replace psychiatric nurse practitioner medical directors with psychiatrists, which MDH advises would affect a large percentage of OMHCs, including the vast majority of newly opened OMHCs. OMHCs likely need to pay their medical directors more as psychiatrists usually command a higher wage than psychiatric nurse practitioners. OMHCs may be less able to retain and recruit medical directors due to a shortage in the psychiatry workforce.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): National Council Medical Director Institute; Maryland Association of County Health Officers; Maryland Department of Health; Department of Legislative Services

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