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1999 Regular Session 9lr1074

By: Delegates Goldwater and Taylor Introduced and read first time: February 12, 1999 Assigned to: Environmental Matters	
Committee Report: Favorable with amendments House action: Adopted Read second time: March 16, 1999	
	CHAPTER

1 AN ACT concerning

2

Health Care Regulatory Reform - Commission Consolidation

3	FOR the purpose of integrating, consolidating, and streamlining certain health care
4	regulatory responsibilities and duties under the Maryland Health Care Access
5	and Cost Commission; repealing certain obsolete provisions of law; altering the
6	number of commissioners on the Commission who must meet certain criteria;
7	establishing a Health Care Access and Cost Commission Fund; specifying the
8	funding for the Health Care Access and Cost Commission Fund; specifying the
9	purpose of this Act; abolishing a certain commission that functions in the
10	Department of Health and Mental Hygiene by certain dates; altering the duties,
11	responsibilities, and functions of the Maryland Health Care Access and Cost
12	Commission; requiring the Maryland Health Care Access and Cost Commission
13	to coordinate the exercise of its functions with the Department and the Health
14	Services Cost Review Commission; altering certain provisions of law related to
15	State health planning and development; establishing a certain advisory
16	<u> </u>
17	of certain staff hired by the Health Care Access and Cost Commission and the
18	Health Services Cost Review Commission; altering certain procurement
19	procedures required of certain commissions; requiring the Maryland Insurance

- procedures required of certain commissions; <u>requiring the Maryland Insurance</u>
 <u>Commissioner to provide the Maryland Health Care Access and Cost</u>
- 21 <u>Commission with certain information after a certain date; eliminating certain</u>
- 22 <u>duties required to be performed by the Maryland Insurance Commissioner after</u>
- 23 <u>a certain date; requiring the Maryland Health Care Access and Cost</u>
- 24 <u>Commission to assess a certain fee against certain entities;</u> specifying certain
- 25 transitional provisions relating to the implementation of the provisions of this
- 26 Act; requiring certain individuals to meet periodically for a specified purpose;
- 27 requiring a certain report to be filed by a certain date; requiring the Health Care
- 28 Access and Cost Commission to conduct a certain study and to make a certain

1 2 3 4 5 6 7	report by a certain date; requiring the Governor to make certain appointments; providing for the accurate codification of the provisions of this Act; making certain technical and stylistic changes; reorganizing certain provisions; defining certain terms; altering certain definitions; providing for a delayed effective date for certain provisions of this Act; providing for the effective date of certain provisions of this Act; and generally relating to the integration, consolidation, and streamlining of certain health care regulatory responsibilities and duties.
8	BY repealing
9	Article - Health - General
10	
11	"Part I. Health Planning and Development", and the subtitle "Subtitle 1.
12	
13	Annotated Code of Maryland
14	(1996 Replacement Volume and 1998 Supplement)
15	BY repealing and reenacting, without amendments,
16	Article - Health - General
17	1
18	•
19	(1994 Replacement Volume and 1998 Supplement)
20	BY repealing and reenacting, with amendments,
21	Article - Health - General
22	
23	
24	(1994 Replacement Volume and 1998 Supplement)
	BY adding to
26	
27	
28	1
29	
30	
31 32	Health Planning and Development"; and the new part "Part III. Medical Care Data Collection"
33	Annotated Code of Maryland
34	(1996 Replacement Volume and 1998 Supplement)
34	(1990 Replacement Volume and 1998 Supplement)
	BY repealing and reenacting, with amendments,
36	
37	
38	the part "Part II. Deficiencies in Services and Facilities"; 19-206 and
39	
40	inclusive, to be under the new part "Part II. Health Care Facility Rate

1 2 3 4	Setting"; 19-1501 through 19-1510, inclusive, 19-1513, 19-1514, and 19-1516 Annotated Code of Maryland (1996 Replacement Volume and 1998 Supplement)
5 6 7 8 9 10	BY repealing and reenacting, without amendments, Article - Health - General Section 19-201 through 19-205, inclusive, and 19-207 to be under the new part "Part I. Definitions; General Provisions" Annotated Code of Maryland (1996 Replacement Volume and 1998 Supplement)
11 12 13 14 15	Section 16A
16 17 18 19 20 21	Section 19-1515 and the subtitle "Subtitle 15. Maryland Health Care Access and Cost Commission"
22 23 24 25 26	Section 15-111 Annotated Code of Maryland
29 30	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 19-102 through 19-109, inclusive, 19-121, 19-122, the part "Part I. Health Planning and Development", and the subtitle "Subtitle 1. Comprehensive Health Planning"; 19-222; 19-1511 and 19-1512 of Article - Health - General of the Annotated Code of Maryland be repealed.

32 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland 33 read as follows:

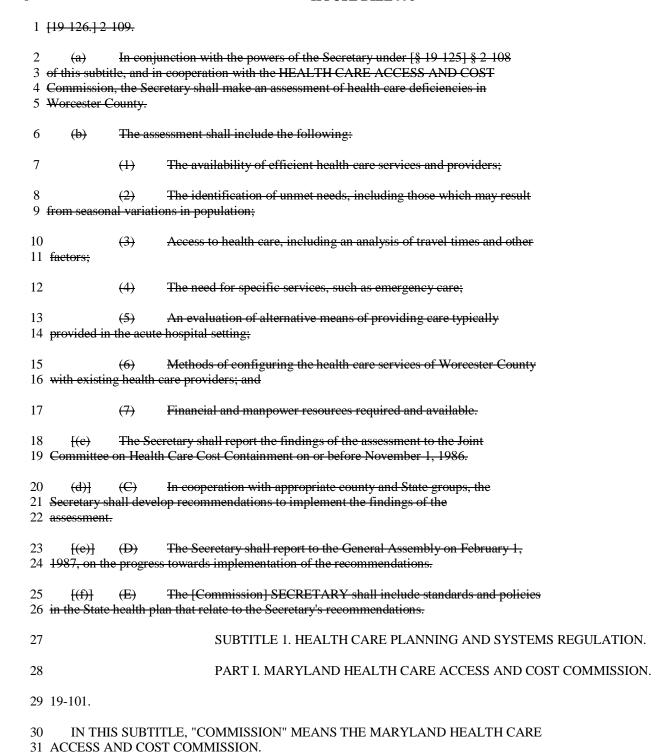
2 PART I. GENERAL PROVISIONS.

3 2-101.

- 4 There is a Department of Health and Mental Hygiene, established as a principal
- 5 department of the State government.
- 6 2-106.
- 7 (a) The following units are in the Department:
- 8 (1) Alcohol and Drug Abuse Administration.
- 9 (2) Anatomy Board.
- 10 (3) Developmental Disabilities Administration.
- 11 [(4) State Health Resources Planning Commission.]
- 12 [(5)] (4) Health Services Cost Review Commission.
- 13 [(6)] (5) Maryland Psychiatric Research Center.
- 14 [(7)] (6) Mental Hygiene Administration.
- 15 [(8)] (7) Postmortem Examiners Commission.
- 16 [(9)] (8) Board of Examiners for Audiologists.
- 17 [(10)] (9) Board of Chiropractic Examiners.
- 18 [(11)] (10) Board of Dental Examiners.
- 19 [(12)] (11) Board of Dietetic Practice.
- 20 [(13)] (12) Board of Electrologists.
- 21 [(14)] (13) Board of Morticians.
- 22 [(15)] (14) Board of Nursing.
- 23 [(16)] (15) Board of Examiners of Nursing Home Administrators.
- 24 [(17)] (16) Board of Occupational Therapy Practice.
- 25 [(18)] (17) Board of Examiners in Optometry.
- 26 [(19)] (18) Board of Pharmacy.
- 27 [(20)] (19) Board of Physical Therapy Examiners.

1	[(21)]	(20)	Board of Physician Quality Assurance.
2	[(22)]	(21)	Board of Podiatry Examiners.
3	[(23)]	(22)	Board of Examiners of Professional Counselors.
4	[(24)]	(23)	Board of Examiners of Psychologists.
5	[(25)]	(24)	Board of Social Work Examiners.
6	[(26)]	(25)	Board of Examiners for Speech-Language Pathologists.
7	[(27)]	(26)	Commission on Physical Fitness.
8	[(28)	Advisory	Board on Hospital Licensing.]
9	[(29)]	(27)	State Advisory Council on Alcohol and Drug Abuse.
10	[(30)]	(28)	Advisory Council on Infant Mortality.
11 (b) 12 under any o	- · · · · · · -	artment a	llso includes every other unit that is in the Department

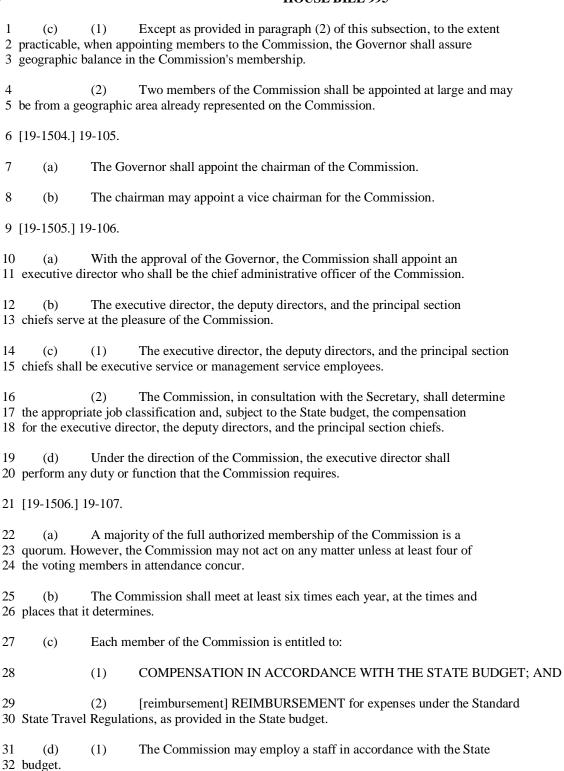
- 13 (c) The Secretary has the authority and powers specifically granted to the 14 Secretary by law over the units in the Department. All authority and powers not so
- 15 granted to the Secretary are reserved to those units free of the control of the
- 16 Secretary.
- 17 Part II. Deficiencies in Services and Facilities.
- 18 [19-125.] 2-108.
- 19 The Secretary:
- 20 (1) On the Secretary's initiative or on request of a community or
- 21 voluntary, nonprofit organization, may do a survey to identify any area in this State
- 22 that has a substantial deficiency in general medical or health care facilities or
- 23 services;
- 24 (2) In cooperation with appropriate county and State groups, may
- 25 provide the community or organization with counsel and other help to establish
- 26 medical or health care facilities and to recruit medical or health care staff in that
- 27 area; and
- 28 (3) If the efforts under item (2) of this section are unsuccessful, may
- 29 provide the facilities or staff by contract with one or more physicians, hospitals, or
- 30 other medical groups or personnel.





- 2 (A) THE GENERAL ASSEMBLY FINDS THAT THE HEALTH CARE REGULATORY
- 3 SYSTEM IN THIS STATE IS A HIGHLY COMPLEX STRUCTURE THAT NEEDS TO BE
- 4 CONSTANTLY REEVALUATED AND MODIFIED IN ORDER TO BETTER REFLECT AND BE
- 5 MORE RESPONSIVE TO THE EVER CHANGING HEALTH CARE ENVIRONMENT AND THE
- 6 NEEDS OF THE CITIZENS OF THIS STATE.
- 7 (B) THE PURPOSE OF THIS SUBTITLE IS TO ESTABLISH A STREAMLINED
- 8 HEALTH CARE REGULATORY SYSTEM IN THIS STATE IN A MANNER SUCH THAT A
- 9 SINGLE STATE HEALTH POLICY CAN BE BETTER ARTICULATED, COORDINATED, AND
- 10 IMPLEMENTED IN ORDER TO BETTER SERVE THE CITIZENS OF THIS STATE.
- 11 [19-1502.] 19-103.
- 12 (a) There is a Maryland Health Care Access and Cost Commission.
- 13 (b) The Commission is an independent commission that functions in the
- 14 Department.
- 15 (c) The purpose of the Commission is to:
- 16 (1) Develop health care cost containment strategies to help provide
- 17 access to appropriate quality health care services for all Marylanders, after
- 18 consulting with [the Health Resources Planning Commission and] the Health
- 19 Services Cost Review Commission;
- 20 PROMOTE THE DEVELOPMENT OF A HEALTH REGULATORY SYSTEM
- 21 THAT PROVIDES, FOR ALL MARYLANDERS, FINANCIAL AND GEOGRAPHIC ACCESS TO
- 22 QUALITY HEALTH CARE SERVICES AT A REASONABLE COST BY:
- 23 (I) ADVOCATING POLICIES AND SYSTEMS TO PROMOTE THE
- 24 EFFICIENT DELIVERY OF AND IMPROVED ACCESS TO HEALTH CARE SERVICES; AND
- 25 (II) ENHANCING THE STRENGTHS OF THE CURRENT HEALTH CARE
- 26 SERVICE DELIVERY AND REGULATORY SYSTEM;
- 27 [(2)] (3) Facilitate the public disclosure of medical claims data for the
- 28 development of public policy;
- 29 [(3)] (4) Establish and develop a medical care data base on health care
- 30 services rendered by health care practitioners;
- 31 [(4)] (5) Encourage the development of clinical resource management
- 32 systems to permit the comparison of costs between various treatment settings and the
- 33 availability of information to consumers, providers, and purchasers of health care
- 34 services;
- 35 [(5)] (6) In accordance with Title 15, Subtitle 12 of the Insurance Article,
- 36 develop:

1 2	Comprehensiv	ve Stand	(i) ard Healt	A uniform set of effective benefits to be included in the h Benefit Plan; and
3			(ii)	A modified health benefit plan for medical savings accounts;
		[(6)] al repor		Analyze the medical care data base and provide, in aggregate ariations in costs associated with health care
9	means to com	for serv	vice, cost	Ensure utilization of the medical care data base as a primary ormation and annually report on trends and variances of care, regional and national comparisons, and ations;
11		[(8)]	(9)	Develop a payment system for health care services;
12 13		[(9)] ic claims	(10) s clearing	Establish standards for the operation and licensing of medical houses in Maryland;
14		[(10)]	(11)	Foster the development of practice parameters;
15 16		[(11)] health c	(12) are practi	Reduce the costs of claims submission and the administration tioners and payors; and
				Develop a uniform set of effective benefits to be offered as rdable coverage in the nongroup market in accordance e Article.
	WITH THE I	DEPAR'	ΓMENT .	ION SHALL COORDINATE THE EXERCISE OF ITS FUNCTIONS AND THE HEALTH SERVICES COST REVIEW COMMISSION TO , EFFECTIVE HEALTH CARE POLICY FOR THE STATE.
23	[19-1503.] 19	9-104.		
24 25	()	(1) th the ad		nmission shall consist of nine members appointed by the consent of the Senate.
26 27		(2) on with t		ine members, [six] FIVE shall be individuals who do not have gement or policy of a health care provider or payor.
28	(b)	(1)	The term	n of a member is 4 years.
29 30		(2) e term ar		per who is appointed after a term has begun serves only for successor is appointed and qualifies.
31 32	incompetence	(3) e, or mis		vernor may remove a member for neglect of duty,
33		(4)	A memb	per may not serve more than two consecutive terms.



31 PUBLIC INTEREST: AND

36 THE COMMISSION SHALL:

34 THIS SUBTITLE.

(B)

32

35

HOUSE BILL 995 (2)STAFF HIRED AFTER SEPTEMBER 30, 1999, ARE IN THE 1 2 UNCLASSIFIED SERVICE OF THE STATE PERSONNEL MANAGEMENT SYSTEM. 3 STAFF HIRED AFTER SEPTEMBER 30, 1999, ARE IN THE 4 EXECUTIVE SERVICE, MANAGEMENT SERVICE, OR ARE SPECIAL APPOINTMENTS IN 5 THE STATE PERSONNEL MANAGEMENT SYSTEM. THE COMMISSION, IN CONSULTATION WITH THE SECRETARY, 6 (II)7 SHALL DETERMINE THE APPROPRIATE JOB CLASSIFICATIONS AND GRADES FOR ALL 8 STAFF. 9 [19-1510.] 19-108. 10 In addition to the duties set forth elsewhere in this subtitle, the 11 Commission shall adopt regulations specifying the comprehensive standard health 12 benefit plan to apply under Title 15, Subtitle 12 of the Insurance Article. 13 In carrying out its duties under this section, the Commission shall comply 14 with the provisions of § 15-1207 of the Insurance Article. 15 19-109. IN ADDITION TO THE POWERS SET FORTH ELSEWHERE IN THIS SUBTITLE, (A) 16 17 THE COMMISSION MAY: ADOPT RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS 18 (1) 19 OF THIS SUBTITLE; 20 (2) CREATE COMMITTEES FROM AMONG ITS MEMBERS; 21 (3) APPOINT ADVISORY COMMITTEES, WHICH MAY INCLUDE 22 INDIVIDUALS AND REPRESENTATIVES OF INTERESTED PUBLIC OR PRIVATE 23 ORGANIZATIONS: APPLY FOR AND ACCEPT ANY FUNDS, PROPERTY, OR SERVICES FROM 25 ANY PERSON OR GOVERNMENT AGENCY: MAKE AGREEMENTS WITH A GRANTOR OR PAYOR OF FUNDS, 27 PROPERTY, OR SERVICES, INCLUDING AN AGREEMENT TO MAKE ANY STUDY, PLAN, 28 DEMONSTRATION, OR PROJECT; PUBLISH AND GIVE OUT ANY INFORMATION THAT RELATES TO THE 29 (6)30 FINANCIAL ASPECTS OF HEALTH CARE AND IS CONSIDERED DESIRABLE IN THE

SUBJECT TO THE LIMITATIONS OF THIS SUBTITLE, EXERCISE ANY

IN ADDITION TO THE DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE.

33 OTHER POWER THAT IS REASONABLY NECESSARY TO CARRY OUT THE PURPOSES OF

- 1 (1) ADOPT RULES AND REGULATIONS THAT RELATE TO ITS MEETINGS, 2 MINUTES, AND TRANSACTIONS:
- 3 (2) KEEP MINUTES OF EACH MEETING;
- 4 (3) PREPARE ANNUALLY A BUDGET PROPOSAL THAT INCLUDES THE
- 5 ESTIMATED INCOME OF THE COMMISSION AND PROPOSED EXPENSES FOR ITS
- 6 ADMINISTRATION AND OPERATION;
- 7 (4) BEGINNING DECEMBER 1, 2000, AND EACH DECEMBER 1
- 8 THEREAFTER, SUBMIT TO THE GOVERNOR, TO THE SECRETARY, AND, SUBJECT TO §
- 9 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY AN
- 10 ANNUAL REPORT ON THE OPERATIONS AND ACTIVITIES OF THE COMMISSION
- 11 DURING THE PRECEDING FISCAL YEAR, INCLUDING:
- 12 (I) A COPY OF EACH SUMMARY, COMPILATION, AND
- 13 SUPPLEMENTARY REPORT REQUIRED BY THIS SUBTITLE; AND
- 14 (II) ANY OTHER FACT, SUGGESTION, OR POLICY
- 15 RECOMMENDATION THAT THE COMMISSION CONSIDERS NECESSARY; AND
- 16 (5) EXCEPT FOR CONFIDENTIAL OR PRIVILEGED MEDICAL OR PATIENT
- 17 INFORMATION, MAKE:
- 18 (I) EACH REPORT FILED AND EACH SUMMARY, COMPILATION, AND
- 19 REPORT REQUIRED UNDER THIS SUBTITLE AVAILABLE FOR PUBLIC INSPECTION AT
- 20 THE OFFICE OF THE COMMISSION DURING REGULAR BUSINESS HOURS; AND
- 21 (II) EACH SUMMARY, COMPILATION, AND REPORT AVAILABLE TO
- 22 ANY OTHER STATE AGENCY ON REQUEST.
- 23 (C) (1) THE COMMISSION MAY CONTRACT WITH A QUALIFIED,
- 24 INDEPENDENT THIRD PARTY FOR ANY SERVICE NECESSARY TO CARRY OUT THE
- 25 POWERS AND DUTIES OF THE COMMISSION.
- 26 (2) UNLESS PERMISSION IS GRANTED SPECIFICALLY BY THE
- 27 COMMISSION, A THIRD PARTY HIRED BY THE COMMISSION MAY NOT RELEASE,
- 28 PUBLISH, OR OTHERWISE USE ANY INFORMATION TO WHICH THE THIRD PARTY HAS
- 29 ACCESS UNDER ITS CONTRACT.
- 30 19-110.
- 31 (A) EXCEPT AS EXPRESSLY PROVIDED IN THIS SUBTITLE, THE POWER OF THE
- 32 SECRETARY OVER PLANS, PROPOSALS, AND PROJECTS OF UNITS IN THE
- 33 DEPARTMENT DOES NOT INCLUDE THE POWER TO DISAPPROVE OR MODIFY ANY
- 34 REGULATION, DECISION, OR DETERMINATION THAT THE COMMISSION MAKES
- 35 UNDER AUTHORITY SPECIFICALLY DELEGATED BY LAW TO THE COMMISSION.
- 36 (B) THE POWER OF THE SECRETARY TO TRANSFER, BY RULE, REGULATION, OR
- 37 WRITTEN DIRECTIVE, ANY STAFF, FUNCTIONS, OR FUNDS OF UNITS IN THE

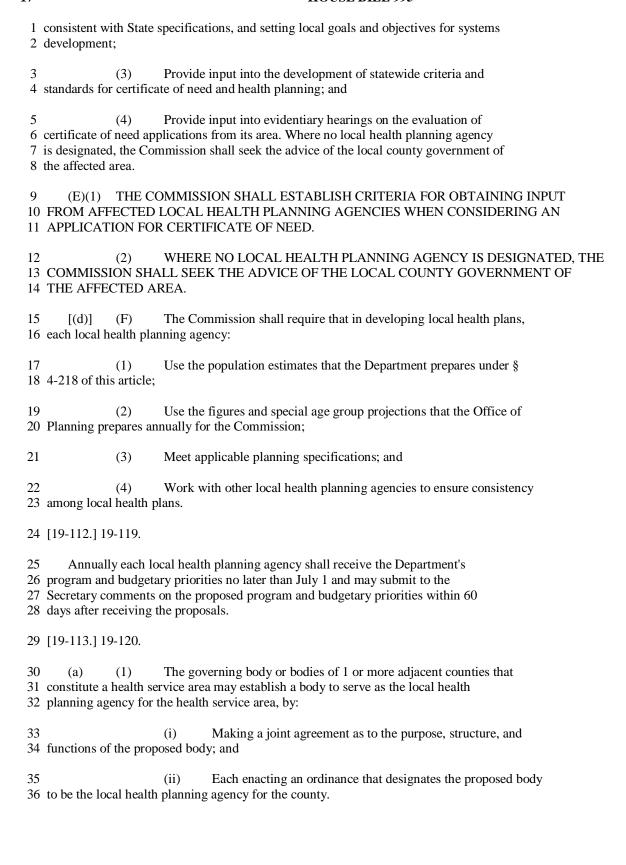
	COMMISSION.					
	(C) (1) THE POWER OF THE SECRETARY OVER THE PROCUREMENT PROCEDURE FOR UNITS IN THE DEPARTMENT DOES NOT APPLY TO THE PROCUREMENT PROCEDURE FOR THE COMMISSION.					
8	(2) SUBJECT TO THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION, ANY PROCUREMENT FOR SERVICES TO BE PERFORMED OR FOR SUPPLIES TO BE DELIVERED TO THE COMMISSION IS SUBJECT TO THE PURPOSES AND REQUIREMENTS OF THE STATE FINANCE AND PROCUREMENT ARTICLE.					
10	19-111. RESERVED.					
11	19-112. RESERVED.					
12	19-113. RESERVED.					
13	PART II. HEALTH PLANNING AND DEVELOPMENT.					
14	[19-101.] 19-114.					
15 16	(a) In [Part I] THIS PART II of this subtitle the following words have the meanings indicated.					
	(b) (1) "Ambulatory surgical facility" means any center, service, office, facility, or office of one or more health care practitioners or a group practice, as defined in § 1-301 of the Health Occupations Article, that:					
20	(i) Has two or more operating rooms;					
21 22	(ii) Operates primarily for the purpose of providing surgical services to patients who do not require overnight hospitalization; and					
23 24	(iii) Seeks reimbursement from payors as an ambulatory surgical facility.					
27	5 (2) For purposes of this subtitle, the office of one or more health care 6 practitioners or a group practice with two operating rooms may be exempt from the 7 certificate of need requirements under this subtitle if the Commission finds, in its 8 sole discretion, that:					
29 30	(i) A second operating room is necessary to promote the efficiency safety, and quality of the surgical services offered; and					
	(ii) The office meets the criteria for exemption from the certificate of need requirements as an ambulatory surgical facility in accordance with regulations adopted by the Commission.					

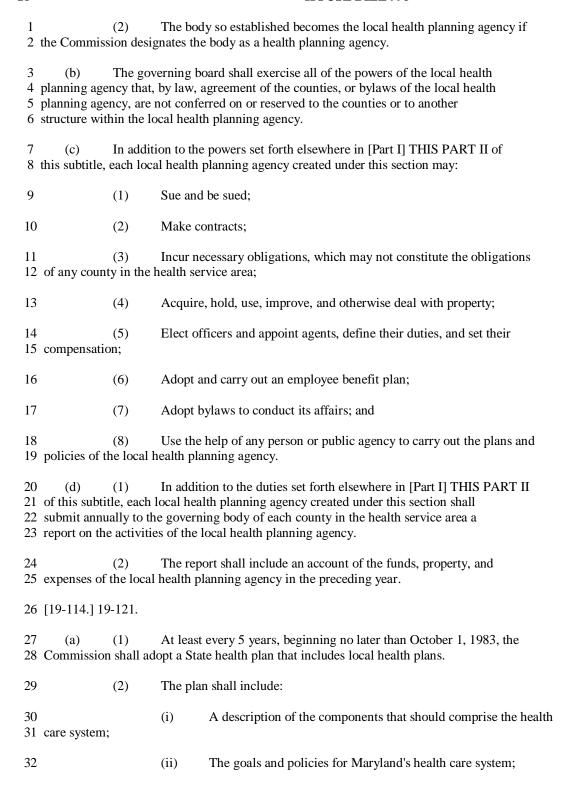
1 2	(c) Commission			ed" means a certification of public need issued by the e] PART II OF THIS SUBTITLE for a health care project.			
3	(d) ["Commission" means the State Health Resources Planning Commission.						
4 5	(e)] Developmen			ans the National Health Planning and Resources blic Law 93-641), as amended.			
6	[(f)]	(E)	(1)	"Health care facility" means:			
7			(i)	A hospital, as defined in § 19-301 of this title;			
8			(ii)	A related institution, as defined in § 19-301 of this title;			
9			(iii)	An ambulatory surgical facility;			
				An inpatient facility that is organized primarily to help in the viduals, through an integrated program of medical and competent professional supervision;			
13			(v)	A home health agency, as defined in § 19-401 of this title;			
14			(vi)	A hospice, as defined in § 19-901 of this title; and			
15 16	[Part I] THI	S PART	(vii) II of this	Any other health institution, service, or program for which subtitle requires a certificate of need.			
17		(2)	"Health	care facility" does not include:			
18 19	certified, by	the First	(i) Church o	A hospital or related institution that is operated, or is listed and of Christ Scientist, Boston, Massachusetts;			
22				For the purpose of providing an exemption from a certificate of 23 of this subtitle, a facility to provide comprehensive of continuing care, as defined by Article 70B of the			
26				1. The facility is for the exclusive use of the provider's d continuing care agreements for the purpose of hits or domiciliary care within the continuing care			
	facility does			2. The number of comprehensive care nursing beds in the recent of the number of independent living units at the and			
31 32	facility;			3. The facility is located on the campus of the continuing care			

	,	se treat	Except for a facility to provide kidney transplant services or ment facility, as defined by rule or regulation of the alth and Human Services;
	(Except for kidney transplant services or programs, the kidney ervices provided by or on behalf of a hospital or
	(·)		The office of one or more individuals licensed to practice alth Occupations Article, for the purposes of
12 13	or otherwise authorized to services in the ordinary of INDIVIDUAL WHO IS	under tl course (LICEN	are practitioner" means [a person who is licensed, certified, he Health Occupations Article to provide medical of business or practice of a profession] ANY USED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER US ARTICLE TO PROVIDE HEALTH CARE SERVICES.
15 16			ervice area" means an area of this State that the Governor anning and developing of health services.
			ralth planning agency" means a body that the [Commission] rform health planning and development functions for a
20	0 19-115.		
21 22			O THE DUTIES SET FORTH ELSEWHERE IN THIS SUBTITLE, IBTITLE, THE COMMISSION SHALL:
23 24			THE STATE AGENCY TO REPRESENT THE STATE UNDER TITLE C HEALTH SERVICE ACT; AND
25 26	5 (2) PE 6 STUDIES THAT RELA		ICALLY PARTICIPATE IN OR PERFORM ANALYSES AND 9:
27 28	7 (I) 8 THE NEEDS OF THE P		ADEQUACY OF SERVICES AND FINANCIAL RESOURCES TO MEET ATION;
29	9 (II	I) I	DISTRIBUTION OF HEALTH CARE RESOURCES;
30	II) 0	II) A	ALLOCATION OF HEALTH CARE RESOURCES;
31 32	1 (IV 2 FINANCIAL RESOURC		COSTS OF HEALTH CARE IN RELATIONSHIP TO AVAILABLE R
33	3 (V	7) A	ANY OTHER APPROPRIATE MATTER.
34 35	` /		O THE DUTIES SET FORTH ELSEWHERE IN THIS PART II OF RNOR SHALL DIRECT, AS NECESSARY, A STATE OFFICER

- 1 OR AGENCY TO COOPERATE IN CARRYING OUT THE FUNCTIONS OF THE 2 COMMISSION.
- 3 (C) THIS STATE RECOGNIZES THE FEDERAL ACT AND ANY AMENDMENT TO
- 4 THE FEDERAL ACT THAT DOES NOT REQUIRE STATE LEGISLATION TO BE EFFECTIVE.
- 5 HOWEVER, IF THE FEDERAL ACT IS REPEALED OR EXPIRES, THIS PART II OF THIS
- 6 SUBTITLE REMAINS IN EFFECT.
- 7 19-116.
- 8 (A) (1) THE SECRETARY SHALL PROVIDE FOR A STUDY OF SYSTEMS 9 CAPACITY IN HEALTH SERVICES.
- 10 (2) THE STUDY SHALL:
- 11 (I) DETERMINE FOR ALL HEALTH DELIVERY FACILITIES AND
- 12 SETTINGS WHERE CAPACITY SHOULD BE INCREASED OR DECREASED TO BETTER
- 13 MEET THE NEEDS OF THE POPULATION;
- 14 (II) EXAMINE AND DESCRIBE THE IMPLEMENTATION METHODS
- 15 AND TOOLS BY WHICH CAPACITY SHOULD BE ALTERED TO BETTER MEET THE
- 16 NEEDS: AND
- 17 (III) ASSESS THE IMPACT OF THOSE METHODS AND TOOLS ON THE
- 18 COMMUNITIES AND HEALTH CARE DELIVERY SYSTEM.
- 19 (B) (1) IN ADDITION TO INFORMATION THAT AN APPLICANT FOR A
- 20 CERTIFICATE OF NEED MUST PROVIDE, THE COMMISSION MAY REQUEST, COLLECT,
- 21 AND REPORT ANY STATISTICAL OR OTHER INFORMATION THAT:
- 22 (I) IS NEEDED BY THE COMMISSION TO PERFORM ITS DUTIES
- 23 DESCRIBED IN THIS PART II OF THIS SUBTITLE; AND
- 24 (II) IS DESCRIBED IN REGULATIONS OF THE COMMISSION.
- 25 (2) IF A HEALTH CARE FACILITY FAILS TO PROVIDE INFORMATION AS
- 26 REQUIRED IN THIS SUBSECTION, THE COMMISSION MAY:
- 27 (I) IMPOSE A PENALTY OF NOT MORE THAN \$100 PER DAY FOR
- 28 EACH DAY THE VIOLATION CONTINUES AFTER CONSIDERATION OF THE
- 29 WILLFULNESS AND SERIOUSNESS OF THE WITHHOLDING, AS WELL AS ANY PAST
- 30 HISTORY OF WITHHOLDING OF INFORMATION;
- 31 (II) ISSUE AN ADMINISTRATIVE ORDER THAT REQUIRES THE
- 32 APPLICANT TO PROVIDE THE INFORMATION; OR
- 33 (III) APPLY TO THE CIRCUIT COURT IN THE COUNTY IN WHICH THE
- 34 FACILITY IS LOCATED FOR LEGAL RELIEF CONSIDERED APPROPRIATE BY THE
- 35 COMMISSION.

- 1 (3) THE COMMISSION MAY SEND TO A LOCAL HEALTH PLANNING
- 2 AGENCY ANY STATISTICAL OR OTHER INFORMATION THE COMMISSION IS
- 3 AUTHORIZED TO COLLECT UNDER PARAGRAPH (1) OF THIS SUBSECTION.
- 4 [19-110.] 19-117.
- 5 (a) In accordance with criteria that the Commission sets, the Governor shall 6 designate health service areas in this State.
- 7 (b) After a 1-year period, the Governor may review or revise the boundaries of
- 8 a health service area or increase the number of health service areas, on the
- 9 Governor's initiative, at the request of the Commission, at the request of a local
- 10 government, or at the request of a local health planning agency. Revisions to
- 11 boundaries of health service areas shall be done in accordance with the criteria
- 12 established by the Commission and with the approval of the legislature.
- 13 (c) Within 45 days of receipt of the State health plan or a change in the State
- 14 health plan, the plan becomes effective unless the Governor notifies the Commission
- 15 of [his] THE GOVERNOR'S intent to modify or revise the State health plan adopted by
- 16 the Commission.
- 17 [19-111.] 19-118.
- 18 (a) The Commission shall designate, for each health service area, not more
- 19 than 1 local health planning agency.
- 20 (B) Local health systems agencies shall be designated as the local health
- 21 planning agency for a one-year period beginning October 1, 1982, provided that the
- 22 local health systems agency has:
- 23 (1) Full or conditional designation by the federal government by October
- 24 1, 1982;
- 25 (2) The ability to perform the functions prescribed in subsection [(c)] (D)
- 26 of this section; or
- 27 (3) Received the support of the local governments in the areas in which
- 28 the agency is to operate.
- 29 [(b)] (C) The Commission shall establish by [regulations] REGULATION
- 30 criteria for designation of local health planning agencies.
- 31 [(c)] (D) Applicants for designation as the local health planning agency shall,
- 32 at a minimum, be able to:
- 33 (1) Assure broad citizen representation, including a board with a
- 34 consumer majority;
- 35 (2) Develop a local health plan by assessing local health needs and
- 36 resources, establishing local standards and criteria for service characteristics,

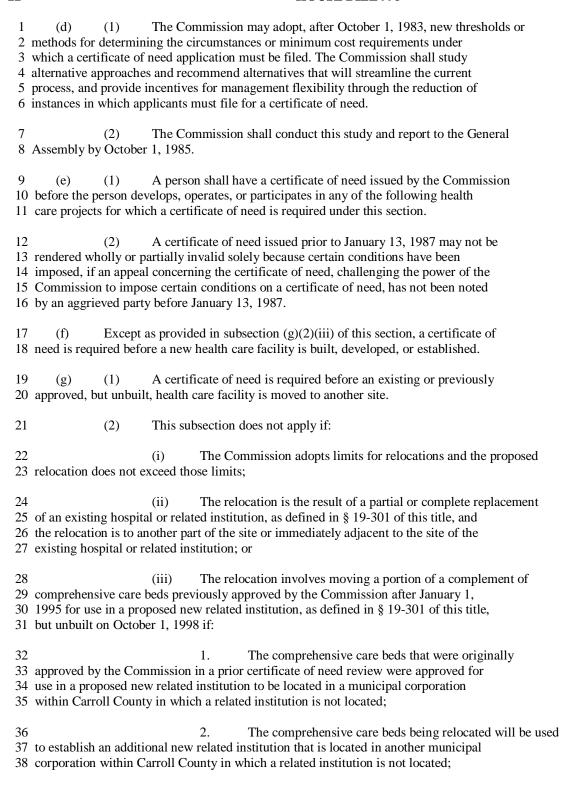




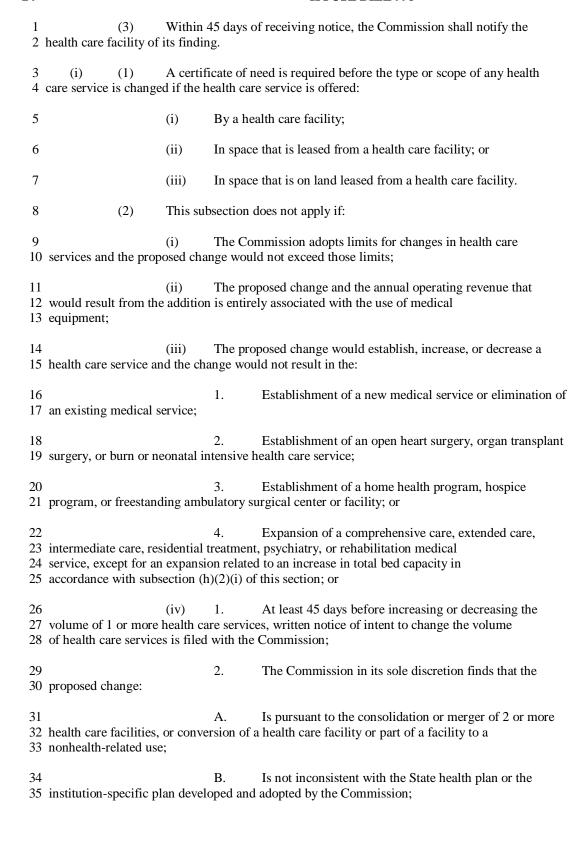
1 2	criteria, and services t	(iii) o be regi	Identification of unmet needs, excess services, minimum access onalized;
3	for the health care sys	(iv) tem;	An assessment of the financial resources required and available
5 6	need review; and	(v)	The methodologies, standards, and criteria for certificate of
7 8	where appropriate.	(vi)	Priority for conversion of acute capacity to alternative uses
9 10			shall adopt specifications for the development of local ation with the State health plan.
13	State health plan and	publish a	a petition by any person, the Commission shall review the any changes in the plan that the Commission considers w and approval granted to the Governor under this
		earings, a	shall adopt rules and regulations that ensure broad and consideration of local health plans in development
	` ' ' ' '		nmission shall [include] DEVELOP standards and policies State health plan that relate to the certificate of need
21	(2)	The stan	dards:
22 23	quality of health care	(I) [. The sta	[shall] SHALL address the availability, accessibility, cost, and indards]; AND
24 25		(II) th planni	[are] ARE to be reviewed and revised periodically to reflect new ng, delivery, and technology.
	or financial feasibility	y, the Co	ing standards regarding cost, efficiency, cost-effectiveness, mmission [may] SHALL take into account the relevant ervices Cost Review Commission.
		etary ma	cretary shall make recommendations to the Commission y review and comment on State specifications to be e State health plan.
34	responsible for any as industry or persons in	spect of r	s and departments, directly or indirectly involved with or egulating, funding, or planning for the health care it, shall carry out their responsibilities in a manner in plan and available fiscal resources.

- 1 (h) In carrying out [its] THEIR responsibilities under this [Act] PART II OF
- 2 THIS SUBTITLE for hospitals, the Commission AND THE SECRETARY shall recognize
- 3 [and], BUT MAY not apply, [not] develop, or [not] duplicate standards or
- 4 requirements related to quality which have been adopted and enforced by national or
- 5 State licensing or accrediting authorities.
- 6 (I) THE COMMISSION SHALL TRANSFER TO THE DEPARTMENT OF HEALTH
- 7 AND MENTAL HYGIENE HEALTH PLANNING FUNCTIONS AND NECESSARY STAFF
- 8 RESOURCES FOR LICENSED ENTITIES IN THE STATE HEALTH PLAN THAT ARE NOT
- 9 REQUIRED TO OBTAIN A CERTIFICATE OF NEED OR AN EXEMPTION FROM THE
- 10 CERTIFICATE OF NEED PROGRAM.
- 11 [19-114.1.] 19-122.
- 12 (a) The Commission shall develop and adopt an institution-specific plan to 13 guide possible capacity reduction.
- 14 (b) The institution-specific plan shall address:
- 15 (1) Accurate bed count data for licensed beds and staffed and operated
- 16 beds;
- 17 (2) Cost data associated with all hospital beds and associated services on 18 a hospital-specific basis;
- 19 (3) Migration patterns and current and future projected population data;
- 20 (4) Accessibility and availability of beds;
- 21 (5) Quality of care;
- 22 (6) Current health care needs, as well as growth trends for such needs,
- 23 for the area served by each hospital;
- 24 (7) Hospitals in high growth areas; and
- 25 (8) Utilization.
- 26 (c) In the development of the institution-specific plan the Commission shall
- 27 give priority to the conversion of acute capacity to alternative uses where appropriate.
- 28 (d) (1) The Commission shall use the institution-specific plan in reviewing
- 29 certificate of need applications for conversion, expansion, consolidation, or
- 30 introduction of hospital services in conjunction with the State health plan.
- 31 (2) If there is a conflict between the State health plan and any rule or
- 32 regulation adopted by the Commission in accordance with Title 10, Subtitle 1 of the
- 33 State Government Article to implement an institution-specific plan that is developed
- 34 for identifying any excess capacity in beds and services, the provisions of whichever
- 35 plan that is most recently adopted shall control.

- 1 (3) Immediately upon adoption of the institution-specific plan the 2 [Health Resources Planning] Commission shall begin the process of incorporating 3 the institution-specific plan into the State health plan and shall complete the 4 incorporation within 12 months. 5 (4) A State health plan developed or adopted after the incorporation of 6 the institution-specific plan into the State health plan shall include the criteria in subsection (b) of this section in addition to the criteria in [§ 19-114 of this article] § 8 19-121 OF THIS SUBTITLE. 9 [19-115.] 19-123. In this section the following words have the meanings indicated. 10 (a) (1) 11 (2) "Health care service" means any clinically-related patient service 12 including a medical service under paragraph (3) of this subsection. 13 (3) "Medical service" means: 14 (i) Any of the following categories of health care services: 15 1. Medicine, surgery, gynecology, addictions; 2. Obstetrics; 16 17 3. Pediatrics; 18 4. Psychiatry; 19 5. Rehabilitation; 20 6. Chronic care; 21 7. Comprehensive care; 22 8. Extended care; 9. 23 Intermediate care; or 10. 24 Residential treatment; or 25 Any subcategory of the rehabilitation, psychiatry, (ii) 26 comprehensive care, or intermediate care categories of health care services for which 27 need is projected in the State health plan. 28 The Commission may set an application fee for a certificate of need for 29 facilities not assessed a user fee under [§ 19-122 of] this subtitle.
- 30 (c) The Commission shall adopt rules and regulations for applying for and 31 issuing certificates of need.



1 2	intended to be used to establish	3. n a related		orehensive care beds not being relocated n on the original site; and	are
5	use on the original site and the site will be used as component independent or assisted living	s of singl	d comprehe e buildings	previously approved comprehensive care ensive care beds for use on the new s on each site that also offer	beds for
	(3) Notwith need is not required for a reloc subsection.			provision of this subtitle, a certificate of ler paragraph (2)(iii) of this	
10 11	(h) (1) A certificate facility is changed.	icate of n	eed is requ	nired before the bed capacity of a health	
12 13	(2) This sub capacity if:	osection of	loes not ap	pply to any increase or decrease in bed	
14 15	(i) exceed the lesser of 10 percen			eriod the increase or decrease would not pacity or 10 beds;	
16 17	(ii) for an existing medical service	1. e; and	The incre	ase or decrease would change the bed ca	pacity
18		2.	Α.	The change would not increase total bed	capacity
19		B.	The chan	ge is maintained for at least a 1-year peri	od; and
			ribing the c	5 days prior to the change the hospital prohange and providing an updated ent; or	rovides
	(iii) capacity, written notice of inte	1. ent to cha		5 days before increasing or decreasing bapacity is filed with the Commission;	ed
26 27	proposed change:	2.	The Com	mission in its sole discretion finds that the	ıe
	health care facilities, or convenonhealth-related use;	A. ersion of a		nt to the consolidation or merger of 2 or refacility or part of a facility to a	more
31 32	institution-specific plan develo	B. oped by t		onsistent with the State health plan or the ssion;	9
33 34	health care services; and	C.	Will resul	It in the delivery of more efficient and ef	fective
35		D.	Is in the p	public interest.	

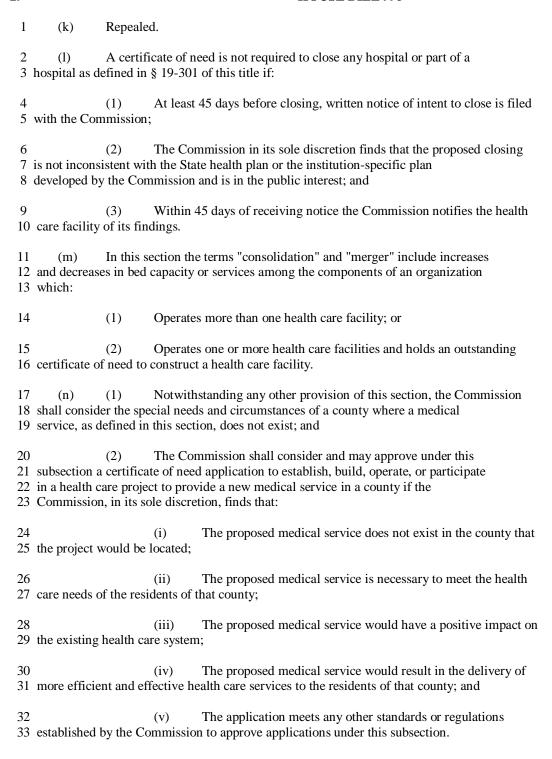


1 2	C. Will result in the delivery of more efficient and effective health care services; and	
3	D. Is in the public interest; and	
4 5	3. Within 45 days of receiving notice under item 1 of this subparagraph, the Commission shall notify the health care facility of its finding.	
6 7	(3) Notwithstanding the provisions of paragraph (2) of this subsection, a certificate of need is required:	
8 9	(i) Before an additional home health agency, branch office, or home health care service is established by an existing health care agency or facility;	
	(ii) Before an existing home health agency or health care facility establishes a home health agency or home health care service at a location in the service area not included under a previous certificate of need or license;	
15 16	(iii) Before a transfer of ownership of any branch office of a home health agency or home health care service of an existing health care facility that separates the ownership of the branch office from the home health agency or home health care service of an existing health care facility which established the branch office; or	
18 19	(iv) Before the expansion of a home health service or program by a health care facility that:	
20 21	1. Established the home health service or program without a certificate of need between January 1, 1984 and July 1, 1984; and	
	2. During a 1-year period, the annual operating revenue of the home health service or program would be greater than \$333,000 after an annual adjustment for inflation, based on an appropriate index specified by the Commission.	
25 26	(j) A certificate of need is required before any of the following capital expenditures are made by or on behalf of a health care facility:	
27 28	(i) Any expenditure that, under generally accepted accounting principles, is not properly chargeable as an operating or maintenance expense, if:	
31 32	1. The expenditure is made as part of an acquisition, improvement, or expansion, and, after adjustment for inflation as provided in the regulations of the Commission, the total expenditure, including the cost of each study, survey, design, plan, working drawing, specification, and other essential activity, is more than \$1,250,000;	
	2. The expenditure is made as part of a replacement of any plant and equipment of the health care facility and is more than \$1,250,000 after adjustment for inflation as provided in the regulations of the Commission;	

1 2	3. The expenditure results in a substantial change in the bed capacity of the health care facility; or					
	4. The expenditure results in the establishment of a new medical service in a health care facility that would require a certificate of need under subsection (i) of this section; or					
6 7	(ii) Any expenditure that is made to lease or, by comparable arrangement, obtain any plant or equipment for the health care facility, if:					
10 11	1. The expenditure is made as part of an acquisition, improvement, or expansion, and, after adjustment for inflation as provided in the 10 rules and regulations of the Commission, the total expenditure, including the cost of 11 each study, survey, design, plan, working drawing, specification, and other essential 12 activity, is more than \$1,250,000;					
	2. The expenditure is made as part of a replacement of any plant and equipment and is more than \$1,250,000 after adjustment for inflation as provided in the regulations of the Commission;					
16 17	The expenditure results in a substantial change in the bed capacity of the health care facility; or					
	4. The expenditure results in the establishment of a new medical service in a health care facility that would require a certificate of need under subsection (i) of this section.					
23	(2) A certificate of need is required before any equipment or plant is donated to a health care facility, if a certificate of need would be required under paragraph (1) of this subsection for an expenditure by the health care facility to acquire the equipment or plant directly.					
27	(3) A certificate of need is required before any equipment or plant is transferred to a health care facility at less than fair market value if a certificate of need would be required under paragraph (1) of this subsection for the transfer at fair market value.					
	(4) A certificate of need is required before a person acquires a health care facility if a certificate of need would be required under paragraph (1) of this subsection for the acquisition by or on behalf of the health care facility.					
32	(5) This subsection does not apply to:					
33	(i) Site acquisition;					
36 37	(ii) Acquisition of a health care facility if, at least 30 days before making the contractual arrangement to acquire the facility, written notice of the intent to make the arrangement is filed with the Commission and the Commission does not find, within 30 days after the Commission receives notice, that the health services or bed capacity of the facility will be changed;					

1 2	(iii) related to patient care;	Acquisi	tion of business or office equipment that is not directly
3 4	(iv) to the acquisition and installati		expenditures to the extent that they are directly related jor medical equipment;
	(v) of 2 or more health care facility facility to a nonhealth-related to	ies, or co	al expenditure made as part of a consolidation or merger inversion of a health care facility or part of a
8 9	notice of intent is filed with the	1. e Commi	At least 45 days before an expenditure is made, written ssion;
10 11		2. roposed	Within 45 days of receiving notice, the Commission in its consolidation, merger, or conversion:
12 13	institution-specific plan develo	A. oped by t	Is not inconsistent with the State health plan or the he Commission as appropriate;
14 15	health care services; and	B.	Will result in the delivery of more efficient and effective
16		C.	Is in the public interest; and
17 18	notify the health care facility of	3. of its find	Within 45 days of receiving notice, the Commission shall ling;
19 20	(vi) construction, or renovation that		al expenditure by a nursing home for equipment,
21		1.	Is not directly related to patient care; and
22 23	other rates;	2.	Is not directly related to any change in patient charges or
24 25	(vii) this title, for equipment, const		al expenditure by a hospital, as defined in § 19-301 of or renovation that:
26		1.	Is not directly related to patient care; and
27		2.	Does not increase patient charges or hospital rates;
28 29	` /		al expenditure by a hospital as defined in § 19-301 of 50,000 for construction or renovation that:
30		1.	May be related to patient care;
			Does not require, over the entire period or schedule of debt tal cumulative increase in patient charges or for the capital costs associated with the project

1 as determined by the Commission, after consultation with the Health Services Cost 2 Review Commission; 3 3. At least 45 days before the proposed expenditure is made, 4 the hospital notifies the Commission and within 45 days of receipt of the relevant 5 financial information, the Commission makes the financial determination required 6 under item 2 of this subparagraph; and 7 The relevant financial information to be submitted by the 8 hospital is defined in regulations [promulgated] ADOPTED by the Commission, after 9 consultation with the Health Services Cost Review Commission; or 10 (ix) A plant donated to a hospital as defined in § 19-301 of this title, 11 which does not require a cumulative increase in patient charges or hospital rates of 12 more than \$1,500,000 for capital costs associated with the donated plant as 13 determined by the Commission, after consultation with the Health Services Cost 14 Review Commission that: 15 At least 45 days before the proposed donation is made, the 1. 16 hospital notifies the Commission and within 45 days of receipt of the relevant 17 financial information, the Commission makes the financial determination required 18 under this subparagraph; and 19 The relevant financial information to be submitted by the 20 hospital is defined in regulations [promulgated] ADOPTED by the Commission after 21 consultation with the Health Services Cost Review Commission. 22 Paragraph (5)(vi), (vii), (viii), and (ix) of this subsection may not be 23 construed to permit a facility to offer a new health care service for which a certificate 24 of need is otherwise required. 25 Subject to the notice requirements of paragraph (5)(ii) of this 26 subsection, a hospital may acquire a freestanding ambulatory surgical facility or 27 office of one or more health care practitioners or a group practice with one or more 28 operating rooms used primarily for the purpose of providing ambulatory surgical 29 services if the facility, office, or group practice: 30 (i) Has obtained a certificate of need; 31 (ii) Has obtained an exemption from certificate of need 32 requirements; or Did not require a certificate of need in order to provide 33 (iii) 34 ambulatory surgical services after June 1, 1995. 35 Nothing in this subsection may be construed to permit a hospital to 36 build or expand its ambulatory surgical capacity in any setting owned or controlled by 37 the hospital without obtaining a certificate of need from the Commission if the 38 building or expansion would increase the surgical capacity of the State's health care 39 system.

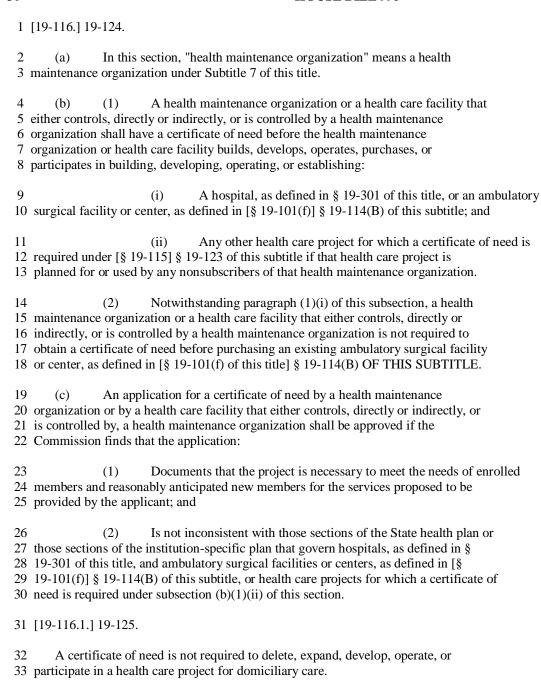


34 [19-117.] 19-126.

(1)

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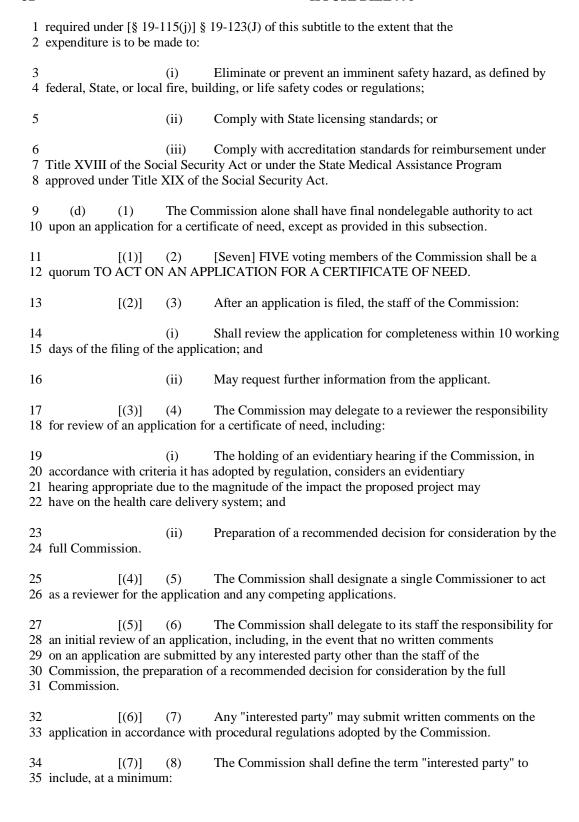
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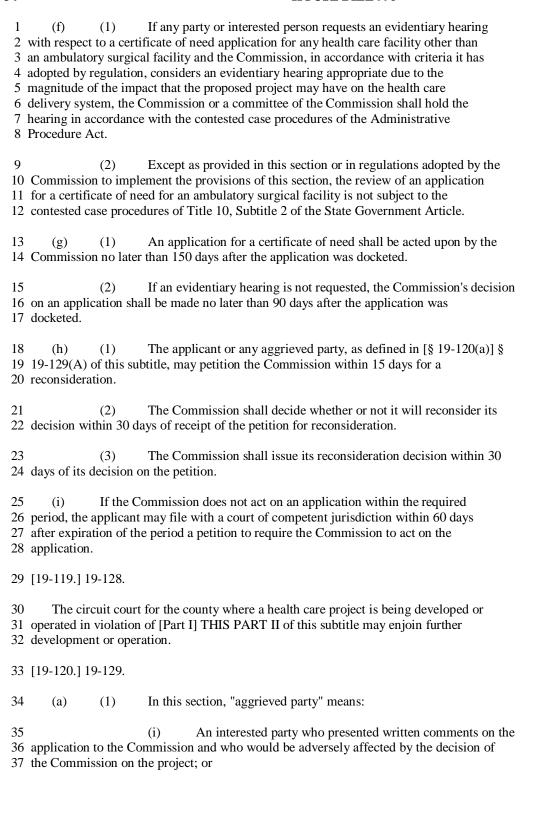
A certificate of need is required before an ambulatory care facility:

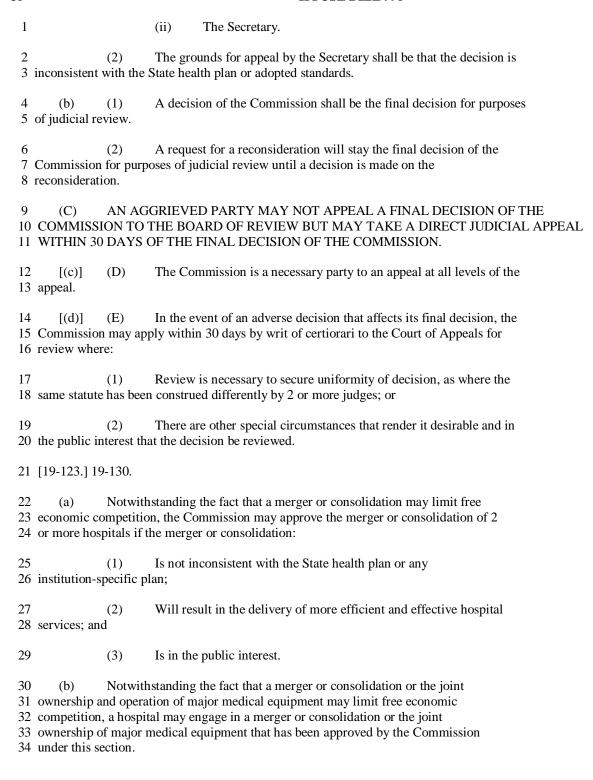
Offers any health service:

1		(i)	Through a health care facility;					
2		(ii)	In space leased from a health care facility; or					
3		(iii)	In space on land leased from a health care facility;					
	(2) To provide those services, makes an expenditure, if a certificate of need would be required under [§ 19-115(j)] § 19-123(J) of this subtitle for the expenditure by or on behalf of a health care facility; OR							
	(3) required under § 19 or		res medical equipment if a certificate of need would be this subtitle for the acquisition by a health care facility;					
10 11	(/1		hything else for which the Federal Act requires a certificate of has not exempted from that requirement.					
12	[19-118.] 19-127.							
15 16	(a) If the Commission receives an application for a certificate of need for a change in the bed capacity of a health care facility, as required under [§ 19-115] § 19-123 of this subtitle, or for a health care project that would create a new health care service or abolish an existing health care service, the Commission shall give notice of the filing by publication in the Maryland Register and give the following notice to:							
18 19	planned; (1)	Each m	ember of the General Assembly in whose district the action is					
20 21	(2) planned;	Each m	ember of the governing body for the county where the action is					
22 23	(3) whose county or c		anty executive, mayor, or chief executive officer, if any, in on is planned; and					
24 25	(4) any other person the		alth care provider, third party payor, local planning agency, or sion knows has an interest in the application.					
26	(b) Failu	re to give n	otice shall not adversely affect the application.					
29	-	ergency cir	isions of the Commission on an application for a certificate of cumstances posing a threat to public health, shall be the plan and the standards for review established by the					
	(2) project or health ca inconsistent with t	are service	re failure of the State health plan to address any particular shall not alone be deemed to render the project alth plan.					
		ure is to be	the Commission finds that the facility or service for which the made is not needed or is not consistent with the State shall approve an application for a certificate of need					



1	(i	The	e staff of the Commission;
2	(i	i) Any	y applicant who has submitted a competing application; and
3 4	,		y other person who can demonstrate that the person would on of the Commission on the application.
7	comments on the applica	ation, and a	e reviewer shall review the application, any written any other materials permitted by this section or by present a recommended decision on the application
11	opportunity to present of	ssion, befor	An applicant and any interested party may request the ont to the reviewer, in accordance with regulations the reviewer prepares a recommended decision on the full Commission.
13 14	`		e reviewer may grant, deny, or impose limitations on an t oral argument to the reviewer.
17 18	under paragraph [(6)] (7 proposed decision and r	7) of this su make oral a	y interested party who has submitted written comments obsection may submit written exceptions to the rgument to the Commission, in accordance with ssion, before the Commission takes final action on
22	recommended decision the application on the b	is complete asis of the	the Commission shall, after determining that the e, vote to approve, approve with conditions, or deny recommended decision, the record before the staff d arguments, if any, before the Commission.
	quorum present and vot	ting[, excep	ne decision of the Commission shall be by a majority of the t that no project shall be approved without the summer members of the Commission].
29	capacity in a region or s	subregion, i projects, a	h plan identifies a need for additional hospital bed in a comparative review of 2 or more applicants for certificate of need shall be granted to 1 or more on that:
31	(1) H	lave satisfa	ctorily met all applicable standards;
	` '	percent of	we within the preceding 10 years voluntarily delicensed the total licensed bed capacity to the extent of the beds
35 36			we been previously granted a certificate of need which was within the preceding 10 years; and
37	(3) T	The Commis	ssion finds at least comparable to all other applicants.





- 1 19 131. RESERVED 2 19-131. THERE IS AN ADVISORY COMMITTEE ON LONG-TERM CARE IN THE (A) 4 COMMISSION. THE PURPOSE OF THE COMMITTEE IS TO ADVISE AND MAKE 5 (B) 6 RECOMMENDATIONS TO THE COMMISSION ON THE DELIVERY OF LONG-TERM CARE 7 IN MARYLAND'S HEALTH CARE SYSTEM. THE ADVISORY COMMITTEE SHALL CONSIST OF NINE MEMBERS 8 (C) (1) 9 APPOINTED BY THE GOVERNOR. 10 (2) OF THE NINE MEMBERS: 11 (I) THREE SHALL REPRESENT ENTITIES PROVIDING LONG-TERM 12 CARE, AT LEAST TWO OF WHICH SHALL REPRESENT COMPREHENSIVE CARE 13 FACILITIES; 14 (II)ONE SHALL REPRESENT AN ASSISTED LIVING FACILITY: 15 (III)ONE SHALL BE A REGISTERED NURSE WITH TRAINING AND 16 EXPERIENCE IN GERIATRIC MEDICINE; 17 (IV) ONE SHALL BE A LICENSED PHYSICIAN WITH TRAINING AND 18 EXPERIENCE IN GERIATRIC MEDICINE; 19 (V) ONE SHALL REPRESENT THE DEPARTMENT OF AGING; 20 <u>(VI)</u> ONE SHALL REPRESENT THE DEPARTMENT OF HEALTH AND 21 MENTAL HYGIENE; AND 22 (VII) ONE SHALL BE A PUBLIC MEMBER. 23 THE GOVERNOR SHALL APPOINT A CHAIRMAN OF THE COMMITTEE. (D) (1) THE COMMITTEE SHALL DETERMINE THE TIMES AND PLACES OF ITS (2) 25 MEETINGS. 26 EACH MEMBER OF THE COMMITTEE IS ENTITLED TO (3) 27 REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL 28 REGULATIONS, AS PROVIDED IN THE STATE BUDGET.
- 29 (4) STAFF FOR THE COMMITTEE SHALL BE PROVIDED BY THE 30 COMMISSION, IN ACCORDANCE WITH ITS BUDGET.

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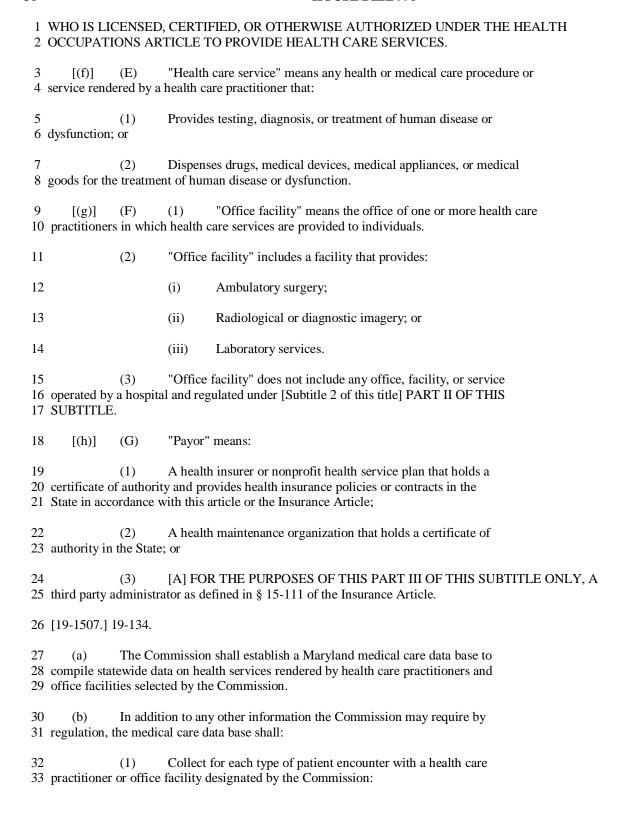
[(e)]

(D)

1 19-132. RESERVED. 2 PART III. MEDICAL CARE DATA COLLECTION. 3 [19-1501.] 19-133. In this [subtitle] PART III OF THIS SUBTITLE the following words have the 4 5 meanings indicated. "Commission" means the Maryland Health Care Access and Cost 6 [(b)]7 Commission.] 8 [(c)]"Comprehensive standard health benefit plan" means the 9 comprehensive standard health benefit plan adopted in accordance with § 15-1207 of 10 the Insurance Article. 11 [(d)](C) (1) "Health care provider" means: 12 A person who is licensed, certified, or otherwise authorized (i) 13 under the Health Occupations Article to provide health care in the ordinary course of 14 business or practice of a profession or in an approved education or training program; 15 or (ii) A facility where health care is provided to patients or recipients, 16 17 including: 18 1. [a] A [facility] FACILITY, as defined in § 10-101(e) of this 19 article[,]; 2. [a] A [hospital] HOSPITAL, as defined in § 19-301(f) of 20 21 this article[,]; 22 3. [a] A related [institution] INSTITUTION, as defined in § 23 19-301(n) of this article[,]; 24 4. [a] A health maintenance [organization] ORGANIZATION, 25 as defined in § 19-701(e) of this article[,]; 5. [an] AN outpatient clinic[,]; and 26 27 [a] A medical laboratory. 6. 28 "Health care provider" includes the agents and employees of a facility 29 who are licensed or otherwise authorized to provide health care, the officers and 30 directors of a facility, and the agents and employees of a health care provider who are 31 licensed or otherwise authorized to provide health care.

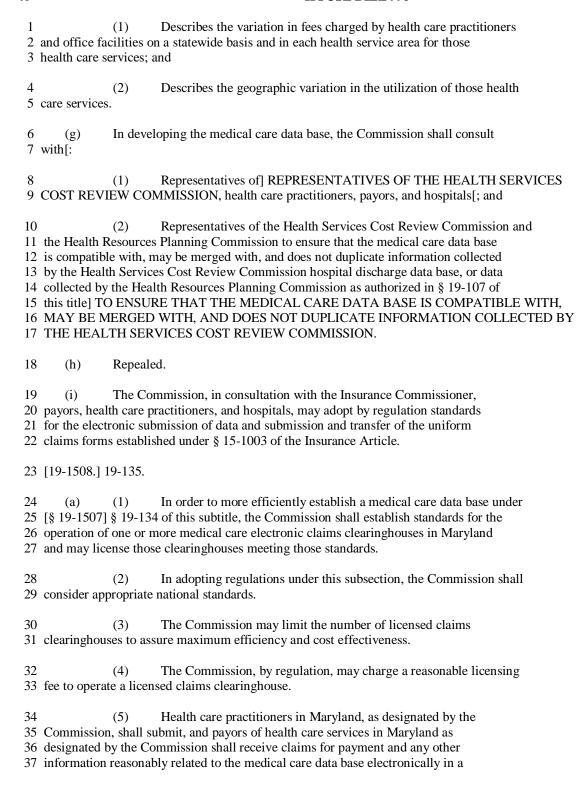
"Health care practitioner" means [any person that provides health

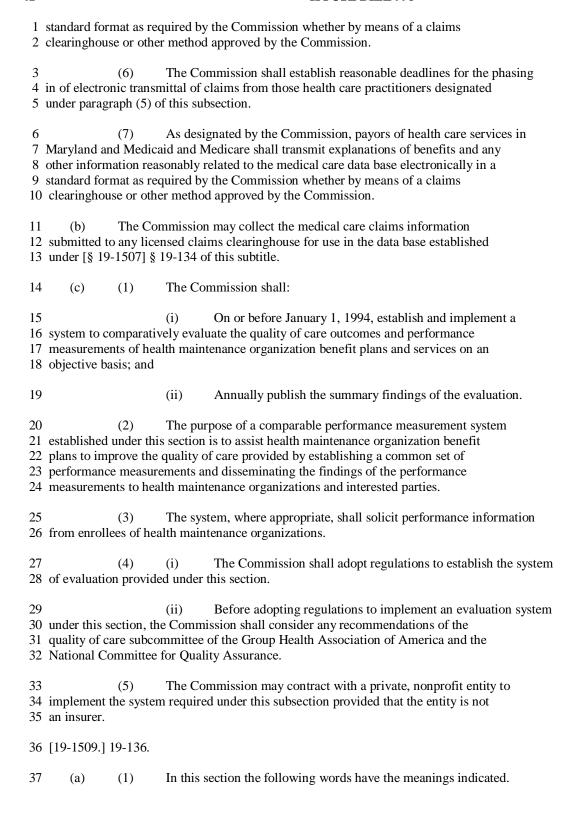
33 care services and is licensed under the Health Occupations Article] ANY INDIVIDUAL

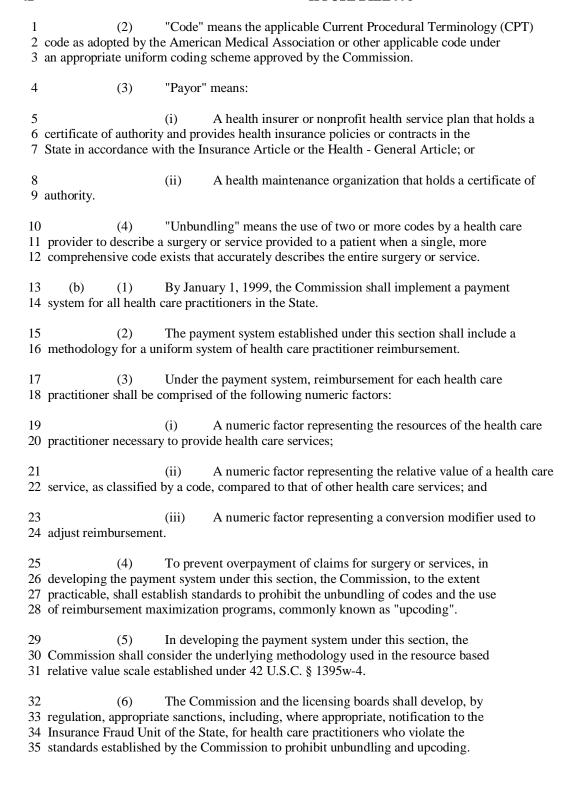


,			HOUSE BILL //S
1		(i)	The demographic characteristics of the patient;
2		(ii)	The principal diagnosis;
3		(iii)	The procedure performed;
4		(iv)	The date and location of where the procedure was performed
5		(v)	The charge for the procedure;
6 7	nonassigned basis; an	(vi)	If the bill for the procedure was submitted on an assigned or
8 9	identification number	(vii)	If applicable, a health care practitioner's universal
10 11	(2) each type of patient of		appropriate information relating to prescription drugs for with a pharmacist designated by the Commission; and
12 13	(3) utilization, or resource		appropriate information relating to health care costs, payors and governmental agencies.
16	medical care data bas	al claims se and an	mmission shall adopt regulations governing the access and data and other information collected and stored in the y claims clearinghouse licensed by the Commission and ing the costs of accessing and retrieving the stored data.
18 19	(2) information is kept c	These re	egulations shall ensure that confidential or privileged patient al.
		a patient	s or information protected by the privilege between a health, or otherwise required by law to be held confidential, does not disclose the identity of the person protected.
25		s section, ansfer sys	extent practicable, when collecting the data required under the Commission shall utilize any standardized claim tem being used by health care practitioners, office
	(2) data required under s maintenance organiz	subsection	mmission shall develop appropriate methods for collecting the n (b) of this section on subscribers or enrollees of health
	* /		ons of [§ 19-1508] § 19-135 of this subtitle are fully ate, the Commission may limit the data collection under

33 (f) By October 1, 1995 and each year thereafter, the Commission shall publish 34 an annual report on those health care services selected by the Commission that:







2	(c) (1) shall take into consider			payment system under this section, the Commission listed in this subsection.
	(2) concerning the resour services, the Commiss	ces of a h		rmination under subsection (b)(3)(i) of this section e practitioner necessary to deliver health care
6 7	reasonably related to	(i) the cost o		sure that the compensation for health care services is ng the health care service; and
8		(ii)	Shall co	nsider:
9			1.	The cost of professional liability insurance;
10 11	regulatory requireme	nts;	2.	The cost of complying with all federal, State, and local
12			3.	The reasonable cost of bad debt and charity care;
	care practitioners, inc			The differences in experience or expertise among health of relative preeminence in the practitioner's ion and continuing professional education;
16			5.	The geographic variations in practice costs;
17 18	necessary by the Con	nmission	6. to delive	The reasonable staff and office expenses deemed r health care services;
19 20	with a teaching hospi	tal; and	7.	The costs associated with a faculty practice plan affiliated
21			8.	Any other factors deemed appropriate by the Commission
		of a heal		rmination under subsection (b)(3)(ii) of this section ervice relative to other health care services, the
25 26	that of other health ca	(i) are servic		tive complexity of the health care service compared to
27		(ii)	The cog	nitive skills associated with the health care service;
28 29	care service; and	(iii)	The time	e and effort that are necessary to provide the health
30		(iv)	Any oth	er factors deemed appropriate by the Commission.
31 32	(4) modifier shall be:	Except a	ıs provide	ed under subsection (d) of this section, a conversion
33		(i)	A payor	's standard for reimbursement;

	(ii)	A health	care practitioner's standard for reimbursement; or
practitioner.	(iii)	Arrange	ments agreed upon between a payor and a health care
practitioner specialt into compliance wit	y group, to	veen the () bring tha	nmission may make an effort, through voluntary and Commission and the appropriate health care at health care practitioner specialty group at goals of the Commission if the Commission
to unreasonable inc	creases in t	1. he overall	Certain health care services are significantly contributing volume and cost of health care services;
unreasonable levels health care practition	s of reimbu oners in an	2. rsable serother spec	Health care practitioners in a specialty area have attained vices under a specific code in comparison to cialty area for the same code;
			Health care practitioners in a specialty area have attained in terms of total compensation, in comparison pecialty area;
health care services	s; or	4.	There are significant increases in the cost of providing
•		5. care cost a	Costs in a particular health care specialty vary annual adjustment goal established under
unsuccessful in bri	nging the a	on and ap	ommission determines that voluntary and cooperative oppropriate health care practitioners have been e health care practitioners into compliance ommission, the Commission may adjust the
group may not be raccording to the fac	rticular spe eimbursed ctors set fo	cialty gro more tha rth in sub	n adjusts the conversion modifier under this pup, a health care practitioner in that specialty in an amount equal to the amount determined section (b)(3)(i) and (ii) of this section and the Commission.
(e) (1)	On an a	nnual bas	is, the Commission shall publish:
12-month period;	(i)	The tota	l reimbursement for all health care services over a
12-month period;	(ii)	The tota	l reimbursement for each health care specialty over a
	cooperative arrange practitioner specialt into compliance wit determines that: to unreasonable incompliance with determines that: to unreasonable levels health care practition unreasonable levels to health care practition to health care practition with the are services significantly from the subsection (f) of the unsuccessful in bring with the health care conversion modified (2) subsection for a paragroup may not be reaccording to the facconversion modified conversion modified to the facconversion modified conversion modified to the facconversion modified to the facco	(iii) practitioner. (d) (1) (i) cooperative arrangements between practitioner specialty group, to into compliance with the health determines that: to unreasonable increases in the unreasonable levels of reimburchealth care practitioners in an unreasonable levels of reimburchealth care practitioners in the health care practitioners in health care services; or significantly from the health consubstantly from the health care subsection (f) of this section. (ii) efforts between the Commission unsuccessful in bringing the awith the health care cost goals conversion modifier. (2) If the Consubstantly subsection for a particular specific group may not be reimbursed according to the factors set for conversion modifier establish (e) (1) On an automatical content of the factors set for conversion modifier establish (i) 12-month period;	(iii) Arrange practitioner. (d) (1) (i) The Corcooperative arrangements between the Copractitioner specialty group, to bring that into compliance with the health care cost determines that: 1. to unreasonable increases in the overall early care practitioners in another specialty care practitioners in another specialty care practitioners in another specialty from the health care cost a subsection (f) of this section. (ii) If the Coefforts between the Commission and apursuccessful in bringing the appropriate with the health care cost goals of the Coconversion modifier. (2) If the Commission subsection for a particular specialty group may not be reimbursed more that according to the factors set forth in subconversion modifier established by the (e) (1) On an annual base (i) The total 12-month period;

1 2	and	(iii)	The total reimbursement for each code over a 12-month period
3	by health care special	(iv) lties and	The annual rate of change in reimbursement for health services by code.
	(2) subsection, the Comr deems appropriate.		tion to the information required under paragraph (1) of this nay publish any other information that the Commission
10	for the cost of health services by code to b	care serv e render	n may establish health care cost annual adjustment goals rices and may establish the total cost of health care ed by a specialty group of health care practitioners on during a 12-month period.
12 13	(g) In deve (f) of this section, the		health care cost annual adjustment goal under subsection ssion shall:
16 17	HEALTH SYSTEM	Associati S, the He	t with appropriate health care practitioners, payors, the on] ASSOCIATION OF MARYLAND HOSPITALS AND ealth Services Cost Review Commission, the Department of and the Department of Business and Economic
19	(2)	Take in	to consideration:
20 21	the rising cost of hea	(i) lth care i	The input costs and other underlying factors that contribute to in this State and in the United States;
22		(ii)	The resources necessary for the delivery of quality health care;
23 24	technology;	(iii)	The additional costs associated with aging populations and new
25		(iv)	The potential impacts of federal laws on health care costs; and
26 27	practice patterns.	(v)	The savings associated with the implementation of modified
	health maintenance	organizat	section shall have the effect of impairing the ability of a ion to contract with health care practitioners or any lly agreed upon terms and conditions.
	in furtherance of the	purposes	organization or society that performs activities in good faith so of this section is not subject to criminal or civil liability st Act for those activities.
34	[19-1516.] 19-137.		
35 36			n may implement a system to encourage health care ontrol the costs of health care services.

33

(1)

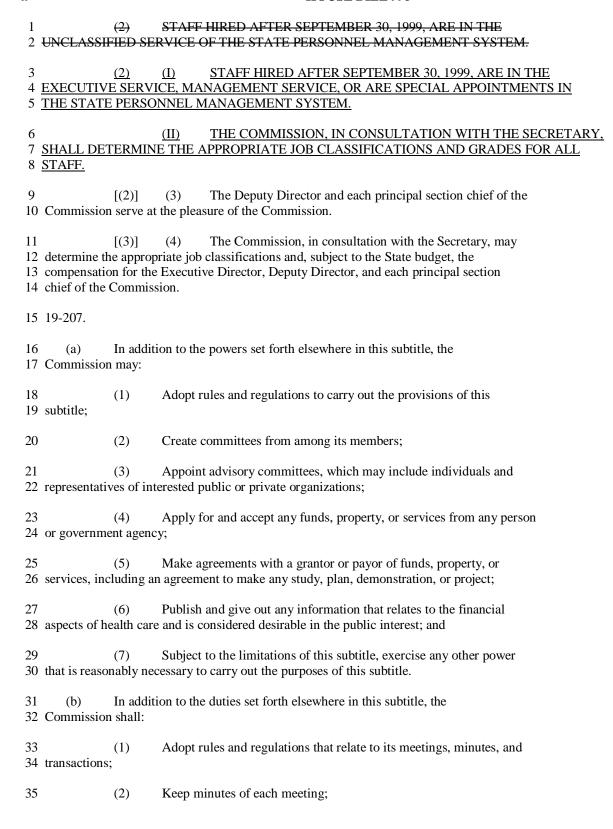
Any hospital; or

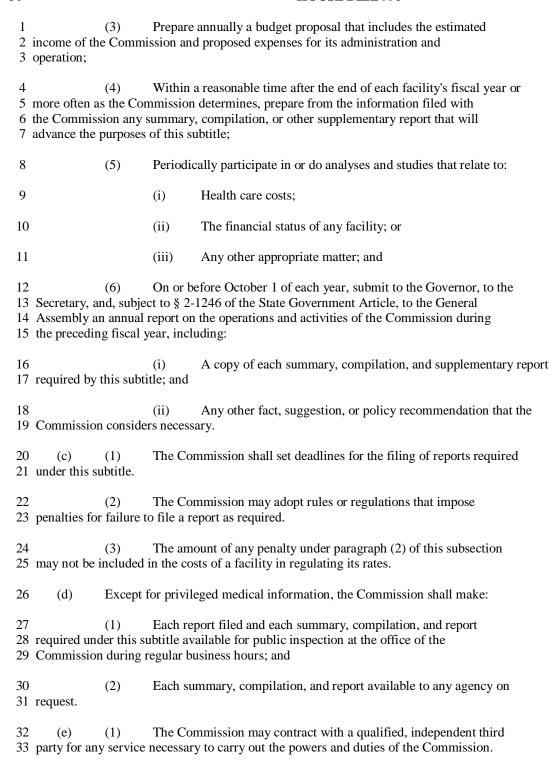
HOUSE BILL 995

1 (b) The Commission may require health care practitioners of selected health 2 care specialties to cooperate with licensed operators of clinical resource management 3 systems that allow health care practitioners to critically analyze their charges and 4 utilization of services in comparison to their peers. 5 If the Commission determines that clinical resource management systems (c) 6 are not available in the private sector, the Commission, in consultation with 7 interested parties including payors, health care practitioners, and the [Maryland 8 Hospital Association] ASSOCIATION OF MARYLAND HOSPITALS AND HEALTH 9 SYSTEMS, may develop a clinical resource management system. 10 (d) The Commission may adopt regulations to govern the licensing of clinical 11 resource management systems to ensure the accuracy and confidentiality of 12 information provided by the system. 13 [19-1513.] 19-138. 14 In any matter that relates to the utilization or cost of health care services 15 rendered by health care practitioners or office facilities, the Commission may: 16 Hold a public hearing; (1)17 Conduct an investigation; or (2)18 (3) Require the filing of any reasonable information. 19 [19-1514.] 19-139. If the Commission considers a further investigation necessary or desirable to 20 21 authenticate information in a report that a health care practitioner or office facility 22 files under this subtitle, the Commission may make necessary further examination of 23 the records or accounts of the health care practitioner or office facility, in accordance 24 with the regulations of the Commission. 25 19-140. RESERVED. 26 19-141. RESERVED. Subtitle 2. Health Services Cost Review Commission. 27 28 PART I. DEFINITIONS; GENERAL PROVISIONS. 29 19-201. 30 (a) In this subtitle the following words have the meanings indicated. 31 "Commission" means the State Health Services Cost Review Commission. (b) "Facility" means, whether operated for a profit or not: 32 (c)

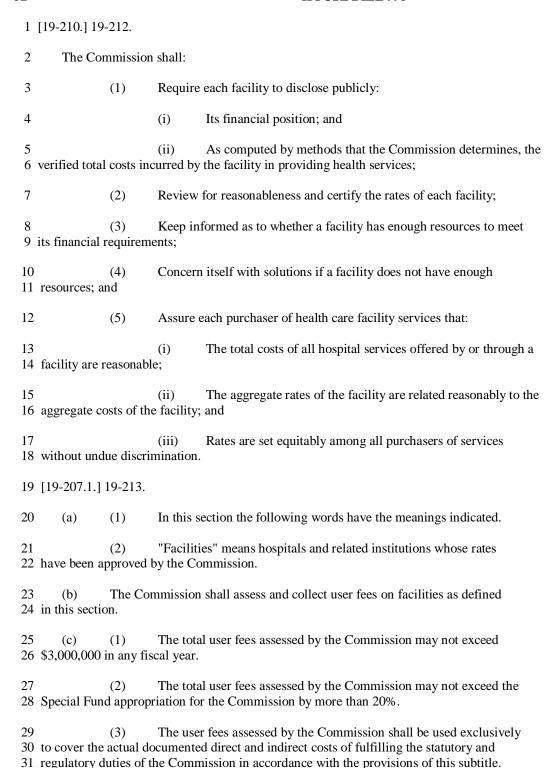
1		(2)	Any rela	ited institution.
2	(d)	(1)	"Hospita	al services" means:
3	Regulation 4	2 C.F.R.	(i) § 409.10,	Inpatient hospital services as enumerated in Medicare as amended;
5			(ii)	Emergency services;
6			(iii)	Outpatient services provided at the hospital; and
7 8	Commission	-approve	(iv) d rates on	Identified physician services for which a facility has June 30, 1985.
9 10	services.	(2)	"Hospita	al services" does not include outpatient renal dialysis
11 12	(e) Department	(1) as:	"Related	institution" means an institution that is licensed by the
13 14	Commission	; or	(i)	A comprehensive care facility that is currently regulated by the
15			(ii)	An intermediate care facility mental retardation.
16 17	subsection, a	(2) as reclass		institution" includes any institution in paragraph (1) of this n time to time by law.
18	19-202.			
19 20				rvices Cost Review Commission. The Commission is nat functions in the Department.
21	19-203.			
22	(a)	(1)	The Con	nmission consists of 7 members appointed by the Governor.
23 24	connection v	(2) with the r		members, 4 shall be individuals who do not have any ent or policy of any facility.
25	(b)	Each me	ember sha	all be interested in problems of health care.
26	(c)	(1)	The term	n of a member is 4 years.
	provided for end as follow			ns of members are staggered as required by the terms Commission on July 1, 1982. The terms of those members
30			(i)	2 in 1983;
31			(ii)	1 in 1984;

1			(iii)	2 in 1985; and
2			(iv)	2 in 1986.
3	appointed an	(3) d qualifie		nd of a term, a member continues to serve until a successor is
5 6	the rest of the	(4) e term an		per who is appointed after a term has begun serves only for successor is appointed and qualifies.
7 8	reappointed f	(5) for 4 year		per who serves 2 consecutive full 4-year terms may not be empletion of those terms.
9	19-204.			
10	Annuall	y, from a	mong the	e members of the Commission:
11		(1)	The Gov	vernor shall appoint a chairman; and
12		(2)	The cha	irman shall appoint a vice chairman.
13	19-205.			
14 15	(a) executive di			l of the Governor, the Commission shall appoint an chief administrative officer of the Commission.
16	(b)	The Exe	cutive Di	rector serves at the pleasure of the Commission.
17 18	(c) perform any			on of the Commission, the Executive Director shall hat the Commission requires.
19	19-206.			
	(a) quorum. Ho members in	wever, th	e Commi	full authorized membership of the Commission is a ission may not act on any matter unless at least 4
23 24	(b) that it determ		nmission	shall meet at least 6 times a year, at the times and places
25	(c)	Each me	ember of	the Commission is entitled to:
26		(1)	Compen	sation in accordance with the State budget; and
27 28	Regulations,	(2) , as provi		rsement for expenses under the Standard State Travel e State budget.
29 30	(d) budget.	(1)	The Cor	nmission may employ a staff in accordance with the State

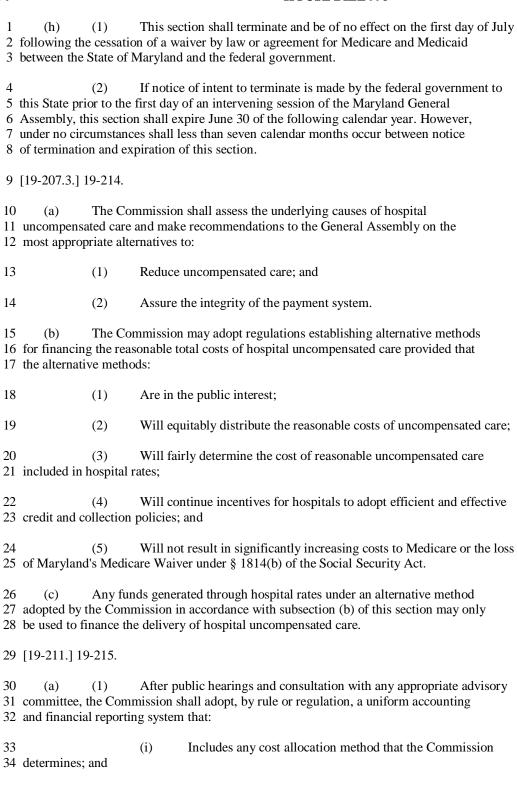


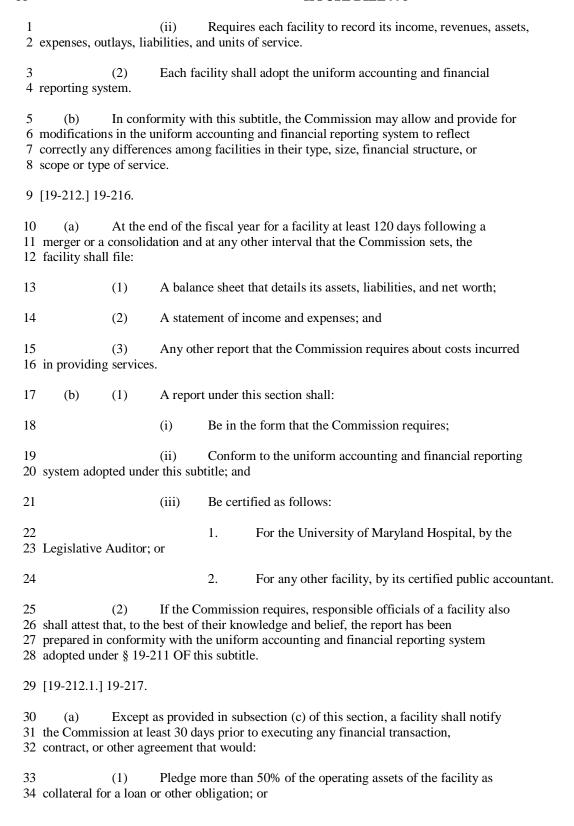


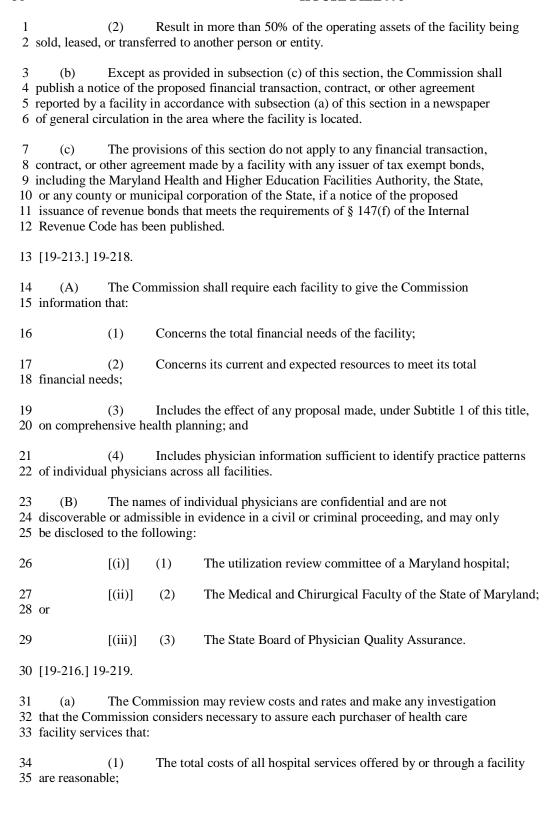
1 (2)Unless permission is granted specifically by the Commission, a third 2 party hired by the Commission may not release, publish, or otherwise use any 3 information to which the third party has access under its contract. 4 19-208. 5 The power of the Secretary over plans, proposals, and projects of units in (a) 6 the Department does not include the power to disapprove or modify any decision or 7 determination that the Commission makes under authority specifically delegated by 8 law to the Commission. 9 (b) The power of the Secretary to transfer by rule, regulation, or written 10 directive, any staff, functions, or funds of units in the Department does not apply to 11 any staff, function, or funds of the Commission. 12 THE POWER OF THE SECRETARY OVER THE PROCUREMENT 13 PROCEDURE FOR UNITS IN THE DEPARTMENT DOES NOT APPLY TO THE 14 PROCUREMENT PROCEDURE FOR THE COMMISSION. 15 SUBJECT TO THE PROVISIONS OF PARAGRAPH (1) OF THIS (2) 16 SUBSECTION, ANY PROCUREMENT FOR SERVICES TO BE PERFORMED OR FOR 17 SUPPLIES TO BE DELIVERED TO THE COMMISSION IS SUBJECT TO THE PURPOSES 18 AND REQUIREMENTS OF THE STATE FINANCE AND PROCUREMENT ARTICLE. 19 19-209. RESERVED. 20 19-210. RESERVED. 21 PART II. HEALTH CARE FACILITY RATE SETTING. 22 [19-209.] 19-211. 23 Except for a facility that is operated or is listed and certified by the 24 First Church of Christ, Scientist, Boston, Massachusetts, the Commission has 25 jurisdiction over hospital services offered by or through all facilities. The jurisdiction of the Commission over any identified physician 26 27 service shall terminate for a facility on the request of the facility. The rate approved for an identified physician service may not exceed 28 29 the rate on June 30, 1985, adjusted by an appropriate index of inflation. 30 (b) The Commission may not set rates for related institutions until: 31 (1) State law authorizes the State Medical Assistance Program to 32 reimburse related institutions at Commission rates; and 33 The United States Department of Health and Human Services agrees 34 to accept Commission rates as a method of providing federal financial participation in 35 the State Medical Assistance Program.

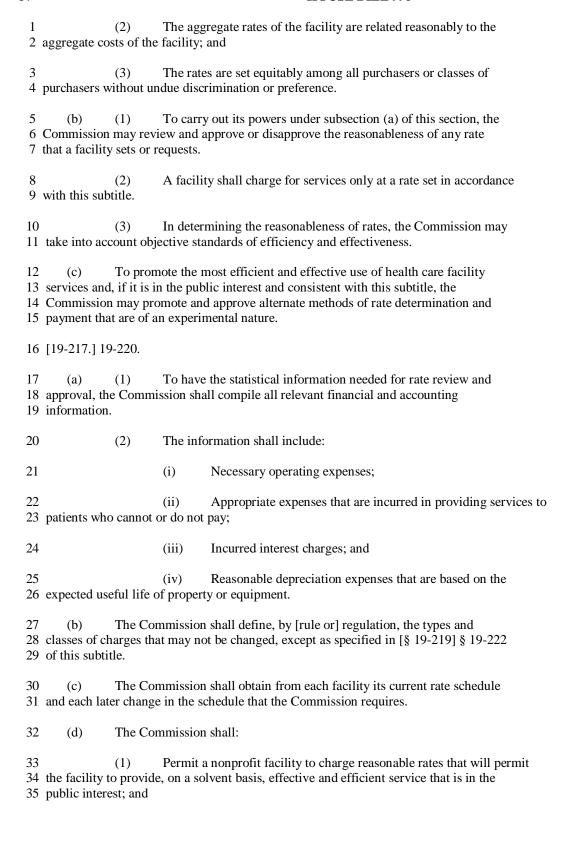


1 (4) The Commission shall pay all funds collected from fees assessed in 2 accordance with this section into the Health Services Cost Review Commission Fund. The user fees assessed by the Commission may be expended only for 4 purposes authorized by the provisions of this subtitle. 5 (d) There is a Health Services Cost Review Commission Fund. (1) The Fund is a special continuing, nonlapsing fund that is not subject 6 (2) 7 to § 7-302 of the State Finance and Procurement Article. 8 The Treasurer shall separately hold, and the Comptroller shall (3) 9 account for, the Fund. 10 (4) The Fund shall be invested and reinvested in the same manner as 11 other State funds. 12 (5) Any investment earnings shall be retained to the credit of the Fund. 13 The Fund shall be subject to an audit by the Office of Legislative (6)14 Audits as provided for in § 2-1220 of the State Government Article. 15 This section may not be construed to prohibit the Fund from (7) 16 receiving funds from any other source. 17 (8) The Fund shall be used only to provide funding for the Commission 18 and for the purposes authorized under this subtitle. 19 The Commission shall: (e) 20 (1) Assess user fees for each facility equal to the sum of: 21 The amount equal to one half of the total user fees times the 22 ratio of admissions of the facility to total admissions of all facilities; and 23 The amount equal to one half of the total user fees times the (ii) 24 ratio of gross operating revenue of each facility to total gross operating revenues of all 25 facilities; (2) 26 Establish minimum and maximum assessments; and 27 (3) Assess each facility on or before June 30 of each year. On or before September 1 of each year, each facility assessed under this 28 29 section shall make payment to the Commission. The Commission shall make 30 provision for partial payments. 31 Any bill not paid within 30 days of an agreed payment date may be subject (g) 32 to an interest penalty to be determined by the Commission.



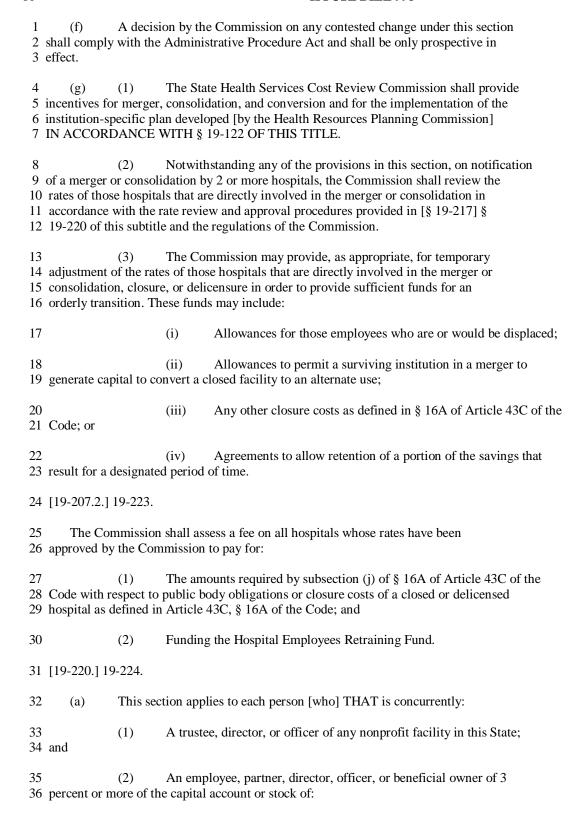






1 2	(2) Permit a proprietary profit-making facility to charge reasonable rates that:						
3 4	(i) Will permit the facility to provide effective and efficient service that is in the public interest; and						
	(ii) Based on the fair value of the property and investments that are related directly to the facility, include enough allowance for and provide a fair return to the owner of the facility.						
10	(e) In the determination of reasonable rates for each facility, as specified in this section, the Commission shall take into account all of the cost of complying with recommendations made, under Subtitle 1 of this title, on comprehensive health planning.						
14	(f) In reviewing rates or charges or considering a request for change in rates or charges, the Commission shall permit a facility to charge rates that, in the aggregate, will produce enough total revenue to enable the facility to meet reasonably each requirement specified in this section.						
	(g) Except as otherwise provided by law, in reviewing rates or charges or considering a request for changes in rates or charges, the Commission may not hold executive sessions.						
19	[19-218.] 19-221.						
20 21	The Commission shall use any reasonable, relevant, or generally accepted accounting principles to determine reasonable rates for each facility.						
22	[19-219.] 19-222.						
25	(a) (1) A facility may not change any rate schedule or charge of any type or class defined under [§ 19-217(b)] § 19-220(B) of this subtitle, unless the facility files with the Commission a written notice of the proposed change that is supported by any information that the facility considers appropriate.						
29	(2) Unless the Commission orders otherwise in conformity to this section, a change in the rate schedule or charge is effective on the date that the notice specifies. That effective date shall be at least 30 days after the date on which the notice is filed.						
31 32	(b) (1) Commission review of a proposed change may not exceed 150 days after the notice is filed.						
33	(2) The Commission may hold a public hearing to consider the notice.						
34	(3) If the Commission decides to hold a public hearing, the Commission:						
35 36	(i) Within 65 days after the filing of the notice, shall set a place and date for the hearing; and						

1 2	days after conc	lusion		May suspend the effective date of any proposed change until 30 aring.
	`	4) n shall		ommission suspends the effective date of a proposed change, facility a written statement of the reasons for the
6	(5	5)	The Con	nmission:
7 8	rules of eviden	ce; and	(i)	May conduct the public hearing without complying with formal
9 10	relates to the p	oropose	(ii) d change	Shall allow any interested party to introduce evidence that including testimony by witnesses.
11 12		l) the Co		nmission may permit a facility to change any rate or charge in considers it to be in the public interest.
13 14	filing.	2)	An appro	oved temporary change becomes effective immediately on
15 16	,			e review procedures of this section, the Commission asonableness of the temporary change.
	proposed chan	ge, a fa	cility, wi	n modifies a proposed change or approves only part of a thout losing its right to appeal the part of the full approval of the proposed change, may:
20	(1	1)	Charge i	ts patients according to the decision of the Commission; and
21	(2	2)	Accept a	ny benefits under that decision.
		is delay		rate or charge increase becomes effective because a final use of an appeal or otherwise, the Commission may
25	(1	1)	To keep	a detailed and accurate account of:
26			(i)	Funds received because of the change; and
27			(ii)	The persons from whom these funds were collected; and
28 29	excessive or un			y funds received because of a change that later is held
30			(i)	To refund the funds with interest; or
31 32	amortize the fu	unds thi		If a refund of the funds is impracticable, to charge over and emporary decrease in charges or rates.



If the Commission considers a further investigation necessary or desirable

32 to authenticate information in a report that a facility files under this subtitle, the

31

(a)

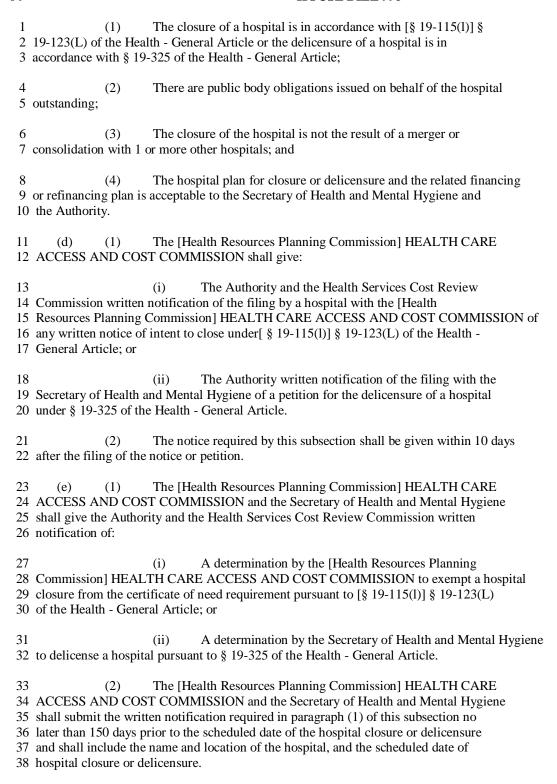
				cessary further examination of the records or accounts ith the rules or regulations of the Commission.	
3	(b) The examination under this section may include a full or partial audit of the records or accounts of the facility that is:				
5		(1)	Provide	d by the facility; or	
6		(2)	Perform	ed by:	
7			(i)	The staff of the Commission;	
8			(ii)	A third party for the Commission; or	
9			(iii)	The Legislative Auditor.	
10	[19-221.] 19	9-227.			
	(a) this subtitle appeal.	(1) may not		son aggrieved by a final decision of the Commission under the Board of Review but may take a direct judicial	
14 15		(2) the Adm		eal shall be made as provided for judicial review of final e Procedure Act.	
	` '		name of t	eal from a final decision of the Commission under this section he person aggrieved as appellant and against the	
19 20	appeal.	(2)	The Cor	nmission is a necessary party to an appeal at all levels of the	
21 22	decisions to	(3) a higher		mmission may appeal any decision that affects any of its final further review.	
23 24	interested pe	(4) erson mag		t of leave by the appropriate court, any aggrieved party or ne or participate in an appeal at any level.	
27		th or pay hearings	s a facilit	ernment agency, or nonprofit health service plan that y for health care services has standing to participate in ll be allowed to appeal final decisions of the	
29			Article	43C - Maryland Health and Higher Educational Facilities Authority	
30	16A.				
31	(a)	In this s	ection, th	e following terms have the meanings indicated.	
32 33	Services Cos	(1) st Reviev		e costs" means the reasonable costs determined by the Health ssion to be incurred in connection with the closure or	

1 delicensure of a hospital, including expenses of operating the hospital, payments to

2 employees, employee benefits, fees of consultants, insurance, security services, 3 utilities, legal fees, capital costs, costs of terminating contracts with vendors, 4 suppliers of goods and services and others, debt service, contingencies and other 5 necessary or appropriate costs and expenses. 6 "Public body obligation" means any bond, note, evidence of 7 indebtedness or other obligation for the payment of borrowed money issued by the 8 Authority, any public body as defined in Article 31, § 9 of the Code, the Mayor and 9 City Council of Baltimore, or any municipal corporation subject to the provisions of 10 Article XI-E of the Maryland Constitution. "Public body obligation" does not include any obligation, or (ii) 12 portion of any such obligation, if: 1. The principal of and interest on the obligation or such 14 portion thereof is: 15 A. Insured by an effective municipal bond insurance policy; 16 and 17 Issued on behalf of a hospital that voluntarily closed in B. 18 accordance with [§ 19-115(1)] § 19-123(L) of the Health - General Article; 19 The proceeds of the obligation or such portion thereof were 20 used for the purpose of financing or refinancing a facility or part thereof which is used 21 primarily to provide outpatient services at a location other than the hospital; or 22 The proceeds of the obligation or such portion thereof were 23 used to finance or refinance a facility or part thereof which is primarily used by 24 physicians who are not employees of the hospital for the purpose of providing services 25 to nonhospital patients. 26 The General Assembly finds that the failure to provide for the (b) (1) payment of public body obligations of a closed or delicensed hospital could have a serious adverse effect on the ability of Maryland health care facilities, and potentially 29 the ability of the State and local governments, to secure subsequent financing 30 through the issuance of tax-exempt bonds. 31 The purpose of this section is to preserve the access of Maryland's 32 health care facilities to adequate financing by establishing a program to facilitate the 33 refinancing and payment of public body obligations of a closed or delicensed hospital. The Maryland Hospital Bond Program is hereby created within the 34 35 Maryland Health and Higher Educational Facilities Authority. The Program shall

36 provide for the payment and refinancing of public body obligations of a hospital, as

37 defined in § 19-301 of the Health - General Article, if:



3		and the l	tal that intends to close or is scheduled to be delicensed shall Health Services Cost Review Commission with a Inding public body obligations issued on behalf of the
5 6	the hospital;	(i)	The name of each issuer of a public body obligation on behalf of
	obligation and the due thereof;	(ii) e dates fo	The outstanding principal amount of each public body r payment or any mandatory redemption or purchase
10 11	obligation and the in	(iii) terest rate	The due dates for the payment of interest on each public body es; and
		(iv) thority or	Any documents and information pertaining to the public body r the Health Services Cost Review Commission may
15 16	(2) filed by the hospital:	The stat	ement required in paragraph (1) of this subsection shall be
19	Health - General Arti	Commiss	In the case of closure pursuant to [§ 19-115(1)] § 19-123(L) of the in 10 days after the date of filing with the [Health ion] HEALTH CARE ACCESS AND COST COMMISSION of e; or
21 22	General Article, at le	(ii) ast 150 d	In the case of delicensure pursuant to § 19-325 of the Health - ays prior to the scheduled date of delicensure.
25	provide for the paym outstanding public be	ent of all ody oblig	alth Services Cost Review Commission may determine to or any portion of the closure costs of a hospital having ations if the Health Services Cost Review Commission e closing costs is necessary or appropriate to:
27		(i)	Encourage and assist the hospital to close; or
28		(ii)	Implement the program created by this section.
29 30	(2) Services Cost Review		ng the determinations under this subsection, the Health ssion shall consider:
31 32	system expected to re	(i) esult from	The amount of the system-wide savings to the State health care in the closure or delicensure of the hospital over:
		re costs o	1. The period during which the fee to provide for the or any bonds or notes issued to finance the closure costs

1 2	2. A period ending 5 years after the date of closure or delicensure, whichever is the longer; and
3	(ii) The recommendations of the [Health Resources Planning Commission] HEALTH CARE ACCESS AND COST COMMISSION and the Authority.
	(3) Within 60 days after receiving the notice of closure or delicensure required by subsection (e) OF THIS SECTION, the Health Services Cost Review Commission shall:
8 9	(i) Determine whether to provide for the payment of all or any portion of the closure costs of the hospital in accordance with this subsection; and
	(ii) Give written notification of such determination to the [Health Resources Planning Commission] HEALTH CARE ACCESS AND COST COMMISSION and the Authority.
	(4) The provisions of this subsection may not be construed to require the Health Services Cost Review Commission to make provision for the payment of any closure costs of a closed or delicensed hospital.
18	(5) In any suit, action or proceeding involving the validity or enforceability of any bond or note issued to finance any closure costs or any security for a bond or note, the determinations of the Health Services Cost Review Commission under this subsection shall be conclusive and binding.
	(h) (1) Within 60 days after receiving the written statement required by subsection (f) of this section, the Authority shall prepare a schedule of payments necessary to meet the public body obligations of the hospital.
25 26 27 28	(2) As soon as practicable after receipt of the notice of closure or delicensure required by subsection (e) OF THIS SECTION and after consultation with the issuer of each public body obligation and the Health Services Cost Review Commission, the Authority shall prepare a proposed plan to finance, refinance or otherwise provide for the payment of public body obligations. The proposed plan may include any tender, redemption, advance refunding or other technique deemed appropriate by the Authority.
32 33	(3) As soon as practicable after receipt of written notification that the Health Services Cost Review Commission has determined to provide for the payment of any closure costs of a hospital pursuant to subsection (g) of this section, the Authority shall prepare a proposed plan to finance, refinance or otherwise provide for the payment of the closure costs set forth in the notice.
	(4) Upon the request of the Health Services Cost Review Commission, the Authority may begin preparing the plan or plans required by this subsection before:
38 39	(i) The final determination by the [Health Resources Planning Commission] HEALTH CARE ACCESS AND COST COMMISSION to exempt a hospital

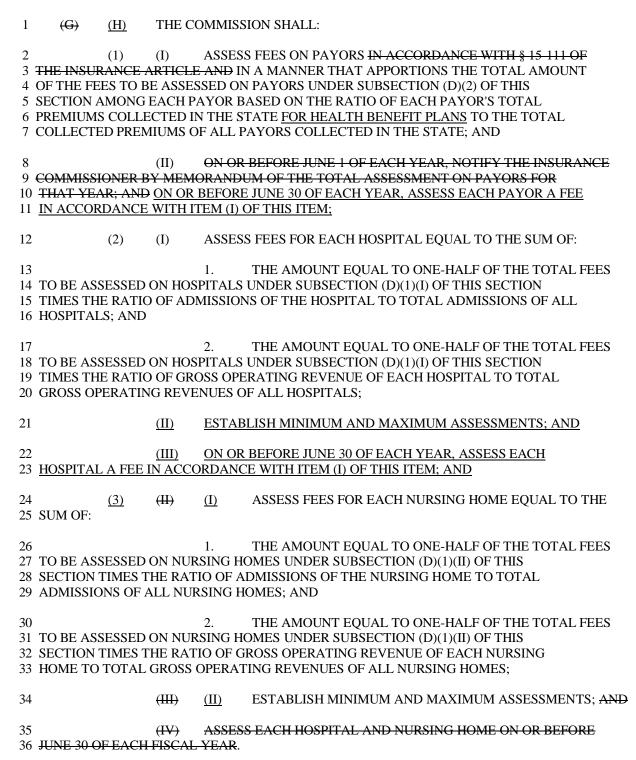
	closure from the certificate of need requirement pursuant to [§ 19-115(l)] § 19-123(L) of the Health - General Article;
3	(ii) Any final determination of delicensure by the Secretary of Health and Mental Hygiene pursuant to § 19-325 of the Health - General Article; or
5 6	(iii) Any final determination by the Health Services Cost Review Commission to provide for the payment of any closure costs of the hospital.
	(5) The Authority shall promptly submit the schedule of payments and the proposed plan or plans required by this subsection to the Health Services Cost Review Commission.
12	(i) (1) The Authority may issue negotiable bonds or notes for the purpose of financing, refinancing or otherwise providing for the payment of public body obligations or any closure costs of a hospital in accordance with any plan developed pursuant to subsection (h) of this section.
14 15	(2) The bonds or notes shall be payable from the fees provided pursuant to subsection (j) of this section or from other sources as may be provided in the plan.
	(3) The bonds or notes shall be authorized, sold, executed and delivered as provided for in this article and shall have terms consistent with all existing constitutional and legal requirements.
21 22	(4) In connection with the issuance of any bond or note, the Authority may assign its rights under any loan, lease or other financing agreement between the Authority or any other issuer of a public body obligation and the closed or delicensed hospital to the State or appropriate agency in consideration for the payment of any public body obligation as provided in this section.
26 27	(j) (1) On the date of closure or delicensure of any hospital for which a financing or refinancing plan has been developed in accordance with subsection (h) of this section, the Health Services Cost Review Commission shall assess a fee on all hospitals as provided in [§ 19-207.2] § 19-223 of the Health - General Article in an amount sufficient to:
	(i) Pay the principal and interest on any public body obligations, or any bonds or notes issued by the Authority pursuant to subsection (i) of this section to finance or refinance public body obligations;
	(ii) Pay any closure costs or the principal and interest on any bonds or notes issued by the Authority pursuant to subsection (i) of this section to finance or refinance any closure costs;
	(iii) Maintain any reserve required in the resolution, trust agreement or other financing agreement securing public body obligations, bonds, or notes;
38	(iv) Pay any required financing fees or other similar charges; and

	(v) Maintain reserves deemed appropriate by the Authority to ensure that the amounts provided in this subsection are satisfied in the event any hospital defaults in paying the fees.
6 7	(2) The fee assessed each hospital shall be equal to that portion of the total fees required to be assessed that is equal to the ratio of the actual gross patient revenues of the hospital to the total gross patient revenues of all hospitals, determined as of the date or dates deemed appropriate by the Authority after consultation with the Health Services Cost Review Commission.
11	(3) Each hospital shall pay the fee directly to the Authority, any trustee for the holders of any bonds or notes issued by the Authority pursuant to subsection (i) of this section, or as otherwise directed by the Authority. The fee may be assessed at any time necessary to meet the payment requirements of this subsection.
15 16 17 18 19	(4) The fees assessed may not be subject to supervision or regulation by any department, commission, board, body or agency of this State. Any pledge of these fees to any bonds or notes issued pursuant to this section or to any other public body obligations, shall immediately subject such fees to the lien of the pledge without any physical delivery or further act. The lien of the pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Authority or any closed or delicensed hospital, irrespective of whether the parties have notice.
23	(5) In the event the Health Services Cost Review Commission shall terminate by law, the Secretary of Health and Mental Hygiene, in accordance with the provisions of this subsection, shall impose a fee on all hospitals licensed pursuant to § 19-318 of the Health - General Article.
27 28 29 30 31	(k) (1) Notwithstanding any other provision of this article, any action taken by the Authority to provide for the payment of public body obligations shall be for the purpose of maintaining the credit rating of this State, its agencies, instrumentalities, and political subdivisions, ensuring their access to the credit markets, and may not constitute any payment by or on behalf of a closed or delicensed hospital. A hospital is not relieved of its obligations with respect to the payment of public body obligations. The Authority shall be subrogated to the rights of any holders or issuers of public body obligations, as if the payment or provision for payment had not been made.
35	(2) The Authority may proceed against any guaranty or other collateral securing the payment of public body obligations of a closed or delicensed hospital which was provided by any entity associated with the hospital if such action is determined by the Authority to be:
37 38	(i) Necessary to protect the interests of the holders of the public body obligations; or
39 40	(ii) Consistent with the public purpose of encouraging and assisting the hospital to close.

2	2 subsection, the Authority shall consider:	ttion required under paragraph (2) of this					
3	3 (i) The circumstant 4 was provided; and	ices under which the guaranty or other collateral					
	5 (ii) The recomment 6 Commission and the [Health Resources Planni 7 ACCESS AND COST COMMISSION.	dations of the Health Services Cost Review ng Commission] HEALTH CARE					
10 11 12 13	(4) Any amount realized by the Authority or any assignee of the Authority in the enforcement of any claim against a hospital for which a plan has been developed in accordance with subsection (h) of this section shall be applied to offset the amount of the fee required to be assessed by the Health Services Cost Review Commission pursuant to subsection (j) of this section. The costs and expenses of enforcing the claim, including any costs for maintaining the property prior to its disposition, shall be deducted from this amount.						
17 18	15 (1) It is the purpose and intent of thi 16 Review Commission, the [Health Resources F 17 ACCESS AND COST COMMISSION, and that 18 into account each others' recommendations in 19 be made under this section.	e Authority consult with each other and take					
22	(m) Notwithstanding any other provision of this section, in any suit, action or proceeding involving the validity or enforceability of any bond or note or any security for a bond or note, the determinations of the Authority under this section shall be conclusive and binding.						
	(n) The Health Services Cost Review Commission, the [Health Resources Planning Commission,] HEALTH CARE ACCESS AND COST COMMISSION, or the Authority may waive any notice required to be given to it under this section.						
	27 SECTION 3. AND BE IT FURTHER EN 28 read as follows:	ACTED, That the Laws of Maryland					
29	29 Artic	e - Health - General					
30	30 19-111.						
	31 (A) (1) IN THIS SECTION TH 32 INDICATED.	E FOLLOWING WORDS HAVE THE MEANINGS					
	33 (2) "FUND" MEANS THE 34 FUND.	HEALTH CARE ACCESS AND COST COMMISSION					
	35 <u>(3) "HEALTH BENEFIT P</u> 36 <u>THE INSURANCE ARTICLE.</u>	LAN" HAS THE MEANING STATED IN § 15-201 OF					

- **70 HOUSE BILL 995** "HEALTH CARE PRACTITIONER" MEANS ANY INDIVIDUAL WHO 1 (3)(4) 2 IS LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED UNDER THE HEALTH 3 OCCUPATIONS ARTICLE TO PROVIDE HEALTH CARE SERVICES. "NURSING HOME" MEANS A RELATED INSTITUTION THAT IS (5) 5 CLASSIFIED AS A NURSING HOME. "PAYOR" MEANS: 6 (5)(6) 7 A HEALTH INSURER OR NONPROFIT HEALTH SERVICE PLAN (I)8 THAT HOLDS A CERTIFICATE OF AUTHORITY AND PROVIDES HEALTH INSURANCE 9 POLICIES OR CONTRACTS IN THE STATE IN ACCORDANCE WITH THIS ARTICLE OR 10 THE INSURANCE ARTICLE: OR A HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A 11 (II)12 CERTIFICATE OF AUTHORITY IN THE STATE. 13 SUBJECT TO THE PROVISIONS OF SUBSECTION (D) OF THIS SECTION, THE (B) 14 COMMISSION SHALL ASSESS A FEE ON: ALL HOSPITALS; 15 (1) 16 (2) ALL NURSING HOMES; 17 (3) ALL PAYORS; AND 18 (4) ALL HEALTH CARE PRACTITIONERS. 19 THE TOTAL FEES ASSESSED BY THE COMMISSION MAY NOT EXCEED (C) (1) 20 \$8,250,000 IN ANY FISCAL YEAR. 21 THE FEES ASSESSED BY THE COMMISSION SHALL BE USED 22 EXCLUSIVELY TO COVER THE ACTUAL DOCUMENTED DIRECT AND INDIRECT COSTS 23 OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE COMMISSION IN 24 ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE. 25 THE COMMISSION SHALL PAY ALL FUNDS COLLECTED FROM THE 26 FEES ASSESSED IN ACCORDANCE WITH THIS SECTION INTO THE FUND. THE FEES ASSESSED MAY BE EXPENDED ONLY FOR PURPOSES 27 28 AUTHORIZED BY THE PROVISIONS OF THIS SUBTITLE. OF THE TOTAL FEES ASSESSED BY THE COMMISSION UNDER THIS 29 (D)
- 30 SECTION IN ANY FISCAL YEAR. THE COMMISSION:
- IN LIEU OF THE APPLICATION FEES PROVIDED FOR IN § 19-123 OF 31 32 THIS SUBTITLE, SHALL ASSESS:
- HOSPITALS AND SPECIAL HOSPITALS FOR AN AMOUNT NOT (I) 34 EXCEEDING 36% OF THE TOTAL AMOUNT ASSESSED; AND

- 1 (II) NURSING HOMES FOR AN AMOUNT NOT EXCEEDING 5% OF THE 2 TOTAL AMOUNT ASSESSED;
- 3 (2) SHALL ASSESS PAYORS FOR AN AMOUNT NOT EXCEEDING 40% OF 4 THE TOTAL AMOUNT ASSESSED; AND
- 5 (3) SHALL ASSESS HEALTH CARE PRACTITIONERS FOR AN AMOUNT NOT 6 EXCEEDING 19% OF THE TOTAL AMOUNT ASSESSED.
- 7 (E) (1) THE FEES ASSESSED IN ACCORDANCE WITH THIS SECTION ON 8 HEALTH CARE PRACTITIONERS SHALL BE:
- 9 (I) INCLUDED IN THE LICENSING FEE PAID TO THE HEALTH CARE 10 PRACTITIONER'S LICENSING BOARD; AND
- 11 (II) TRANSFERRED BY THE HEALTH CARE PRACTITIONER'S 12 LICENSING BOARD TO THE COMMISSION ON A QUARTERLY BASIS.
- 13 (2) THE COMMISSION MAY ADOPT REGULATIONS THAT WAIVE THE FEE 14 ASSESSED UNDER THIS SECTION FOR A SPECIFIC CLASS OF HEALTH CARE 15 PRACTITIONERS.
- 16 (F) (1) THERE IS A HEALTH CARE ACCESS AND COST COMMISSION FUND.
- 17 (2) THE FUND IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS 18 NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.
- 19 (3) THE TREASURER SHALL SEPARATELY HOLD, AND THE 20 COMPTROLLER SHALL ACCOUNT FOR, THE FUND.
- 21 (4) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME 22 MANNER AS OTHER STATE FUNDS.
- 23 (5) ANY INVESTMENT EARNINGS SHALL BE RETAINED TO THE CREDIT 24 OF THE FUND.
- 25 (6) THE FUND SHALL BE SUBJECT TO AN AUDIT BY THE OFFICE OF 26 LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT 27 ARTICLE.
- 28 (7) THIS SECTION MAY NOT BE CONSTRUED TO PROHIBIT THE FUND 29 FROM RECEIVING FUNDS FROM ANY OTHER SOURCE.
- 30 (8) THE FUND SHALL BE USED ONLY TO PROVIDE FUNDING FOR THE 31 COMMISSION AND FOR THE PURPOSES AUTHORIZED UNDER THIS SUBTITLE.
- 32 (G) ON OR BEFORE MAY 30 OF EACH YEAR, THE INSURANCE COMMISSIONER
- 33 SHALL NOTIFY THE COMMISSION OF THE TOTAL PREMIUMS COLLECTED IN THE
- 34 STATE FOR HEALTH BENEFIT PLANS OF ALL PAYORS IN THE STATE DURING THE
- 35 PRIOR CALENDAR YEAR AND EACH PAYOR'S TOTAL PREMIUMS IN THE STATE FOR
- 36 <u>HEALTH BENEFIT PLANS FOR THE SAME CALENDAR YEAR.</u>



1 2	HOME A FE	EE IN AC	(III) CCORDA	ON OR BEFORE JUNE 30 OF EACH YEAR, ASSESS EACH NURSING NCE WITH ITEM (I) OF THIS ITEM; AND
				ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, EACH HOSPITAL OR, HOSPITAL, AND NURSING HOME ASSESSED UNDER THIS YMENT TO THE COMMISSION.
6 7	PAYMENTS	(2) S.	THE CO	OMMISSION SHALL MAKE PROVISIONS FOR PARTIAL
	(I) DATE MAY <u>COLLECTE</u>		BJECT TO	LL NOT PAID WITHIN 30 DAYS OF THE AGREED PAYMENT <u>DUE</u> O AN INTEREST PENALTY TO BE DETERMINED <u>AND</u> MISSION.
11			[Subtitle	e 15. Maryland Health Care Access and Cost Commission.]
12	[19-1515.			
13	(a)	(1)	The Con	nmission shall assess a fee on:
14			(i)	All payors; and
15			(ii)	All health care practitioners.
16 17	one-third fro	(2) om health	(i) care prac	The total fees assessed by the Commission shall be derived etitioners and two-thirds from payors.
18 19	assessed und	der this se	(ii) ection for	The Commission may adopt a regulation that waives the fee a specific class of health care practitioners.
20 21	in any fiscal	(3) year.	The tota	I fees assessed by the Commission may not exceed \$5,000,000
22 23	accordance	(4) with this		nmission shall pay all funds collected from fees assessed in ato the Health Care Access and Cost Fund.
24 25	for the purp	(5) oses auth		assessed in accordance with this section shall be used only der this subtitle.
26 27	(b) practitioners			in accordance with this section on health care
28		(1)	Included	I in the licensing fee paid to the Board; and
29		(2)	Transfer	red to the Commission on a quarterly basis.
32	(c) (1) The fees assessed on payors in accordance with § 15-111 of the Insurance Article shall be apportioned among each payor based on the ratio of each 2 such payor's total premiums collected in the State to the total collected premiums of 3 all such payors in the State.			

	State Insuran that year.	(2) ce Comm	On or before June 1 of each year, the Commission shall notify the hissioner by memorandum of the total assessment on payors for
4	(d)	(1)	There is a Health Care Access and Cost Fund.
5 6	to § 7-302 of	(2) the State	The Fund is a special continuing, nonlapsing fund that is not subject Finance and Procurement Article.
7 8	account for, t	(3) he Fund.	The Treasurer shall separately hold, and the Comptroller shall
9 10	other State fo	(4) unds.	The Fund shall be invested and reinvested in the same manner as
11		(5)	Any investment earnings shall be retained to the credit of the Fund.
12 13			The Fund shall be subject to an audit by the Office of Legislative r in § 2-1220 of the State Government Article.
14 15			This section may not be construed to prohibit the Fund from any other source.
16 17			The Fund shall be used only to provide funding for the Commission authorized under this subtitle.]
18			<u>Article - Insurance</u>
	<u>15-111.</u>		Article - Insurance
	<u>15-111.</u>	<u>(1)</u>	Article - Insurance In this section the following words have the meanings indicated.
19 20 21	<u>15-111.</u>	(1) (2)	
19 20 21	15-111. [(a) title.		In this section the following words have the meanings indicated.
19 20 21 22 23 24 25	15-111. [(a) title.	(2) (3) Cauthority	In this section the following words have the meanings indicated. "Health benefit plan" has the meaning stated in § 15-1201 of this "Payor" means: (i) a health insurer or nonprofit health service plan that holds a y and provides health insurance policies or contracts in the
19 20 21 22 23 24 25 26 27	15-111. [(a) title. certificate of State under to	(2) (3) Sauthority	In this section the following words have the meanings indicated. "Health benefit plan" has the meaning stated in § 15-1201 of this "Payor" means: (i) a health insurer or nonprofit health service plan that holds a y and provides health insurance policies or contracts in the
19 20 21 22 23 24 25 26 27	15-111. [(a) title. certificate of State under to	(2) (3) Sauthority	In this section the following words have the meanings indicated. "Health benefit plan" has the meaning stated in § 15-1201 of this "Payor" means: (i) a health insurer or nonprofit health service plan that holds a y and provides health insurance policies or contracts in the e: (ii) a health maintenance organization that is authorized by the
19 20 21 22 23 24 25 26 27 28 29 30	15-111. [(a) title. certificate of State under to	(2) (3) Sauthority his article er to ope	In this section the following words have the meanings indicated. "Health benefit plan" has the meaning stated in § 15-1201 of this "Payor" means: (i) a health insurer or nonprofit health service plan that holds a y and provides health insurance policies or contracts in the e: (ii) a health maintenance organization that is authorized by the rate in the State; or (iii) a third party administrator. "Third party administrator" means a person that is registered as an

1 2	(2) 19-1515 of the Health		shall be established in accordance with this section and § al Article.
3	(c) (1)	For each	n fiscal year, the total assessment for all payors shall be:
4 5	and Cost Commission	(<u>i)</u> n; and	set by a memorandum from the Maryland Health Care Access
		_	apportioned equitably by the Maryland Health Care Access and lasses of payors described in subsection (a)(3) of this laryland Health Care Access and Cost Commission.
	(2) subsection to payors Commissioner shall a	described	otal assessment apportioned under paragraph (1) of this lin subsection (a)(3)(i) and (ii) of this section, the ch payor a fraction:
	in the State for health determined by the Co		the numerator of which is the payor's total premiums collected plans for an appropriate prior 12-month period as ner; and
	State for the same pe (a)(3)(i) and (ii) of the		the denominator of which is the total premiums collected in the lealth benefit plans of all payors described in subsection L.
	(3) subsection to payors Commissioner shall a	described	otal assessment apportioned under paragraph (1) of this lin subsection (a)(3)(iii) of this section, the ch payor a fraction:
21		<u>(i)</u>	the numerator of which is one; and
22 23	described in subsecti	(<u>ii)</u> on (a)(3)(the denominator of which is the total number of all payors (iii) of this section.
26		arty admir or health l	standing any other provision of this subsection, the fee nistrator may not exceed 0.5% of the total benefit plans collected in the State by the third party calendar year.
	(d) (1) assessed a fee under September 1 of each	this section	to paragraph (2) of this subsection, each payor that is on shall pay the fee to the Commissioner on or before
31 32	Access and Cost Cor		mmissioner, in cooperation with the Maryland Health Care may provide for partial payments.
			er shall distribute the fees collected under this section to ost Fund established under § 19-1515 of the Health -

- 1 [(f)] (A) Each payor shall cooperate fully in submitting reports and claims
- 2 data and providing any other information to the Maryland Health Care Access and
- 3 Cost Commission in accordance with Title 19, Subtitle [15] 1 of the Health General
- 4 Article.
- 5 [(g)] (B) The Commissioner shall report to the Maryland Health Care and
- 6 Cost Commission in a timely manner the name and address of each payor that is
- 7 assessed a fee under [this section] § 19-111 OF THE HEALTH GENERAL ARTICLE AND
- 8 THE INFORMATION REQUIRED UNDER § 19-111(G) OF THE HEALTH GENERAL
- 9 ARTICLE [and the amount of the assessment.
- 10 (h) Each payor shall pay for health care services in accordance with the
- 11 payment system adopted under § 19-1509 of the Health General Article.]
- 12 SECTION 4. AND BE IT FURTHER ENACTED, That:
- 13 (a) All property of any kind, including personal property, records, fixtures,
- 14 appropriations, credits, assets, liabilities, obligations, rights, and privileges, held
- 15 prior to October 1, 1999, by the State Health Resources Planning Commission shall be
- 16 and hereby are transferred to the Maryland Health Care Access and Cost
- 17 Commission;
- 18 (b) Except as otherwise provided by law, all contracts, agreements, grants, or
- 19 other obligations entered into prior to October 1, 1999, by the State Health Resources
- 20 Planning Commission and which by their terms are to continue in effect on or after
- 21 October 1, 1999, shall be valid, legal, and binding obligations of the Maryland Health
- 22 Care Access and Cost Commission, under the terms of the obligations;
- 23 (c) Any transaction affected by any change of nomenclature under this Act,
- 24 and validly entered into before October 1, 1999, and every right, duty, or interest
- 25 flowing from the transaction, remains valid on and after October 1, 1999, as if the
- 26 change of nomenclature had not occurred; and
- 27 (d) All employees who are transferred to the Maryland Health Care Access
- 28 and Cost Commission from the State Health Resources Planning Commission on
- 29 October 1, 1999, shall be so transferred without diminution of their rights, benefits,
- 30 or employment or retirement status.
- 31 SECTION 5. AND BE IT FURTHER ENACTED, That:
- 32 (a) The publishers of the Annotated Code of Maryland, subject to the approval
- 33 of the Department of Legislative Services, shall propose the correction of any agency
- 34 names and titles throughout the Code that are rendered incorrect by this Act; and
- 35 (b) Subject to the approval of the Director of the Department of Legislative
- 36 Services, the publishers of the Annotated Code of Maryland shall correct any
- 37 cross-references that are rendered incorrect by this Act.
- 38 SECTION 6. AND BE IT FURTHER ENACTED, That:

- 1 (a) Notwithstanding the repeal of § 19-122 of the Health General Article
- 2 under Section 1 of this Act, until the end of May 31, 2000, the Health Care Access and
- 3 Cost Commission shall continue to assess and collect user fees from hospitals and
- 4 nursing homes in the same manner and with the same authority as did the Health
- 5 Resources Planning Commission in accordance with the provisions of § 19-122 of the
- 6 Health General Article as it was in effect on September 30, 1999; and
- 7 (b) All fees assessed and collected by the Health Care Access and Cost
- 8 Commission in accordance with subsection (a) of this section shall be paid into the
- 9 Health Care Access and Cost Fund established under § 19-1515 of the Health -
- 10 General Article and shall be used only to provide funding for the Health Care Access
- 11 and Cost Commission and for the purposes authorized under this Act.
- 12 SECTION 7. AND BE IT FURTHER ENACTED, That any balance remaining in
- 13 the Health Resources Planning Commission Fund, as provided in § 19-122 of the
- 14 Health General Article at the end of September 30, 1999 shall be transferred to the
- 15 Health Care Access and Cost Fund, as established under § 19-1515 of the Health -
- 16 General Article.
- 17 SECTION 8. AND BE IT FURTHER ENACTED, That any balance remaining in
- 18 the Health Care Access and Cost Fund, as provided in § 19-1515 of the Health -
- 19 General Article at the end of May 31, 2000 shall be transferred to the Health Care
- 20 Access and Cost Commission Fund, as enacted by Section 3 of this Act.
- 21 SECTION 9. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
- 22 take effect June 1, 2000.
- 23 SECTION 10. AND BE IT FURTHER ENACTED, That, beginning on October 1,
- 24 1999, the Chairman and the Executive Director of the Health Care Access and Cost
- 25 Commission shall meet regularly, and at least once every three months, with the
- 26 Chairman and Executive Director of the Health Services Cost Review Commission to
- 27 foster the coordination of functions between the two commissions and to evaluate the
- 28 feasibility, desirability, and best method of reorganizing the duties and
- 29 responsibilities of the two commissions under one commission.
- 30 SECTION 11. AND BE IT FURTHER ENACTED, That, on or before January 1,
- 31 2000, the Health Care Access and Cost Commission and the Health Services Cost
- 32 Review Commission, shall review and provide a preliminary report, and on or before
- 33 July 1, 2000, a final report, to the General Assembly on:
- 34 (a) the reorganization of the Health Resources Planning Commission into the
- 35 Health Care Access and Cost Commission as of the date of the report;
- 36 (b) the feasibility, desirability, and most efficient method of reorganizing the
- 37 duties and responsibilities of the Health Care Access and Cost Commission and
- 38 Health Services Cost Review Commission under one commission; and
- 39 (c) an estimate as to the amount of time necessary to reorganize the Health
- 40 Care Access and Cost Commission and the Health Services Cost Review Commission
- 41 under one commission.

- 1 SECTION 12. AND BE IT FURTHER ENACTED, That the Maryland Health
- 2 <u>Care Access and Cost Commission shall conduct a study and make recommendations</u>
- 3 on the appropriate funding level for the Commission and user fee allocation among
- 4 those currently assessed user fees to fund the Commission. The findings of the study
- 5 and recommendations shall be reported to the General Assembly on or before
- 6 September 1, 2000.
- 7 SECTION 13. AND BE IT FURTHER ENACTED, That § 19-131 of the Health
- 8 General Article as enacted by Section 2 of this Act shall remain in effect for a period
- 9 of 3 years and, at the end of September 30, 2002, with no further action required by
- 10 the General Assembly, shall be abrogated and of no further force.
- 11 SECTION 14. AND BE IT FURTHER ENACTED, That the Governor shall
- 12 appoint members to fill the two open vacancies that existed as of March 1, 1999 on the
- 13 Maryland Health Care Access and Cost Commission from among the current
- 14 members of the Health Resources Planning Commission.
- 15 SECTION 15. AND BE IT FURTHER ENACTED, That Section 14 of this Act
- 16 shall take effect June 1, 1999.
- 17 SECTION 12 16. AND BE IT FURTHER ENACTED, That, except as provided in
- 18 Section Sections 9 and 15 of this Act, this Act shall take effect October 1, 1999.