

## Article - Health - General

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§19–214. IN EFFECT

(a) The Commission shall assess the underlying causes of hospital uncompensated care and make recommendations to the General Assembly on the most appropriate alternatives to:

- (1) Reduce uncompensated care; and
- (2) Assure the integrity of the payment system.

(b) The Commission may adopt regulations establishing alternative methods for financing the reasonable total costs of hospital uncompensated care and the disproportionate share hospital payment provided that the alternative methods:

- (1) Are in the public interest;
- (2) Will equitably distribute the reasonable costs of uncompensated care and the disproportionate share hospital payment;
- (3) Will fairly determine the cost of reasonable uncompensated care and the disproportionate share hospital payment included in hospital rates;
- (4) Will continue incentives for hospitals to adopt fair, efficient, and effective credit and collection policies; and
- (5) Will not result in significantly increasing costs to Medicare or termination of Maryland's all-payer model contract approved by the federal Center for Medicare and Medicaid Innovation.

(c) Any funds generated through hospital rates under an alternative method adopted by the Commission in accordance with subsection (b) of this section may only be used to finance the delivery of hospital uncompensated care and the disproportionate share hospital payment.

(d) (1) Each year, the Commission shall assess a uniform, broad-based, and reasonable amount in hospital rates to:

(i) Reflect the aggregate reduction in hospital uncompensated care realized from the expansion of health care coverage under Chapter 7 of the Acts of the 2007 Special Session of the General Assembly; and

(ii) Operate and administer the Maryland Health Insurance Plan established under Title 14, Subtitle 5 of the Insurance Article.

- (2) (i) For the portion of the assessment under paragraph (1)(i) of this

subsection:

1. The Commission shall ensure that the assessment amount equals 1.25% of projected regulated net patient revenue; and

2. Each hospital shall remit its assessment amount to the Health Care Coverage Fund established under § 15–701 of this article.

(ii) Any savings realized in averted uncompensated care as a result of the expansion of health care coverage under Chapter 7 of the Acts of the 2007 Special Session of the General Assembly that are not subject to the assessment under paragraph (1)(i) of this subsection shall be shared among purchasers of hospital services in a manner that the Commission determines is most equitable.

(3) For the portion of the assessment under paragraph (1)(ii) of this subsection:

(i) The Commission shall ensure that the assessment:

1. Shall be included in the reasonable costs of each hospital when establishing the hospital's rates;

2. May not be considered in determining the reasonableness of rates or hospital financial performance under Commission methodologies; and

3. May not be more than 0.3% of net patient revenue; and

(ii) Each hospital shall remit monthly one–twelfth of the amount assessed under paragraph (1)(ii) of this subsection to the Maryland Health Insurance Plan Fund established under Title 14, Subtitle 5 of the Insurance Article, for the purpose of operating and administering the Maryland Health Insurance Plan.

(4) The assessment authorized under paragraph (1) of this subsection may not exceed 3% in the aggregate of any hospital's total net regulated patient revenue.

(5) (i) Funds generated from the assessment under this subsection may be used only as follows:

1. To supplement coverage under the Medical Assistance Program beyond the eligibility requirements in existence on January 1, 2008; and

2. To provide funding for the operation and administration of the Maryland Health Insurance Plan, including reimbursing the Department for subsidizing the plan costs of members of the Maryland Health Insurance Plan under a Medicaid waiver program.

(ii) Any funds remaining after expenditures under subparagraph (i) of this paragraph have been made may be used:

1. For the general operations of the Medicaid program; and
2. To provide funding for the State Reinsurance Program authorized under § 31–117 of the Insurance Article.

(e) On or before January 1 each year, the Commission shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly the following information:

(1) The aggregate reduction in hospital uncompensated care realized from the expansion of health care coverage under Chapter 7 of the Acts of the General Assembly of the 2007 Special Session and Public Law No. 111–148 (The Patient Protection and Affordable Care Act); and

(2) The number of individuals who enrolled in Medicaid as a result of the change in eligibility standards under § 15–103(a)(2)(ix) and (x) of this article and the expenses associated with the utilization of hospital inpatient care by these individuals.

19–214. \*\* CONTINGENCY – NOT IN EFFECT – CHAPTERS 244 AND 245 OF 2008 \*\*

(a) The Commission shall assess the underlying causes of hospital uncompensated care and make recommendations to the General Assembly on the most appropriate alternatives to:

- (1) Reduce uncompensated care; and
- (2) Assure the integrity of the payment system.

(b) The Commission may adopt regulations establishing alternative methods for financing the reasonable total costs of hospital uncompensated care and the disproportionate share hospital payment provided that the alternative methods:

- (1) Are in the public interest;
- (2) Will equitably distribute the reasonable costs of uncompensated care and the disproportionate share hospital payment;
- (3) Will fairly determine the cost of reasonable uncompensated care and the disproportionate share hospital payment included in hospital rates;
- (4) Will continue incentives for hospitals to adopt fair, efficient, and effective credit and collection policies; and
- (5) Will not result in significantly increasing costs to Medicare or termination of Maryland’s all-payer model contract approved by the federal Center for Medicare and Medicaid Innovation.

(c) Any funds generated through hospital rates under an alternative method adopted by the Commission in accordance with subsection (b) of this section may only be used to finance the delivery of hospital uncompensated care and the disproportionate share hospital payment.

(d) (1) On or after July 1, 2009, if the expansion of health care coverage under Chapter 7 of the Acts of the General Assembly of the 2007 Special Session reduces hospital uncompensated care, the Commission:

(i) Shall determine the savings realized in averted uncompensated care for each hospital individually; and

(ii) May assess an amount in each hospital's rates equal to a portion of the savings realized in averted uncompensated care for that hospital.

(2) The Commission shall ensure that any savings realized in averted uncompensated care not subject to the assessment under paragraph (1) of this subsection be shared among purchasers of hospital services in a manner that the Commission determines is most equitable.

(3) Each hospital shall remit any assessment under this subsection to the Health Care Coverage Fund established under § 15-701 of this article.

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