

HOUSE BILL 510

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2lr2389
CF SB 917

By: **Delegate Pendergrass**

Introduced and read first time: January 21, 2022

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 2, 2022

CHAPTER _____

1 AN ACT concerning

2 **Health Care Facilities – Health Services Cost Review Commission – User Fee**
3 **Assessment**

4 FOR the purpose of altering the maximum amount of total user fees that may be assessed
5 on hospitals and related institutions by the Health Services Cost Review
6 Commission; and generally relating to fees assessed by the Health Services Cost
7 Review Commission.

8 BY repealing and reenacting, with amendments,
9 Article – Health – General
10 Section 19–213
11 Annotated Code of Maryland
12 (2019 Replacement Volume and 2021 Supplement)

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

15 **Article – Health – General**

16 19–213.

17 (a) (1) In this section the following words have the meanings indicated.

18 (2) “Facilities” means hospitals and related institutions whose rates have
19 been approved by the Commission.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (b) The Commission shall assess and collect user fees on facilities as defined in
2 this section.

3 (c) (1) The total fees assessed by the Commission may not exceed
4 [\$16,000,000] **THE GREATER OF:**

5 (I) **0.1% OF THE IMMEDIATELY PRECEDING FISCAL YEAR'S**
6 **BUDGETED, REGULATED, GROSS HOSPITAL REVENUE; OR**

7 (II) **THE LARGEST AMOUNT DETERMINED UNDER THIS**
8 **PARAGRAPH FOR A FISCAL YEAR DURING THE IMMEDIATELY PRECEDING 5 FISCAL**
9 **YEARS.**

10 (2) The total user fees assessed by the Commission may not exceed the
11 Special Fund appropriation for the Commission by more than 20%.

12 (3) The user fees assessed by the Commission shall be used exclusively to
13 cover the actual documented direct costs of fulfilling the statutory and regulatory duties of
14 the Commission in accordance with the provisions of this subtitle and any administrative
15 costs for services to the Commission provided by the Department.

16 (4) The Commission shall pay all funds collected from fees assessed in
17 accordance with this section into the Health Services Cost Review Commission Fund.

18 (5) The user fees assessed by the Commission may be expended only for
19 purposes authorized by the provisions of this subtitle.

20 (6) The amount specified in paragraph (1) of this subsection limits only the
21 total user fees the Commission may assess in a fiscal year.

22 (d) (1) There is a Health Services Cost Review Commission Fund.

23 (2) The Fund is a special continuing, nonlapsing fund that is not subject to
24 § 7-302 of the State Finance and Procurement Article.

25 (3) The Treasurer shall separately hold, and the Comptroller shall account
26 for, the Fund.

27 (4) The Fund shall be invested and reinvested in the same manner as other
28 State funds.

29 (5) Any investment earnings shall be retained to the credit of the Fund.

30 (6) The Fund shall be subject to an audit by the Office of Legislative Audits
31 as provided for in § 2-1220 of the State Government Article.

1 (7) This section may not be construed to prohibit the Fund from receiving
2 funds from any other source.

3 (8) The Fund shall be used only to provide funding for the Commission and
4 for the purposes authorized under this subtitle. The costs of the Commission include the
5 administrative costs incurred by the Department on behalf of the Commission.

6 (e) The Commission shall:

7 (1) Assess user fees for each facility equal to the sum of:

8 (i) The amount equal to one half of the total user fees times the ratio
9 of admissions of the facility to total admissions of all facilities; and

10 (ii) The amount equal to one half of the total user fees times the ratio
11 of gross operating revenue of each facility to total gross operating revenues of all facilities;

12 (2) Establish minimum and maximum assessments; and

13 (3) Assess each facility on or before June 30 of each year.

14 (f) On or before September 1 of each year, each facility assessed under this
15 section shall make payment to the Commission. The Commission shall make provision for
16 partial payments.

17 (g) Any bill not paid within 30 days of an agreed payment date may be subject to
18 an interest penalty to be determined by the Commission.

19 (h) (1) This section shall terminate and be of no effect on the first day of July
20 following the cessation of a waiver by law or agreement for Medicare and Medicaid between
21 the State of Maryland and the federal government.

22 (2) If notice of intent to terminate is made by the federal government to
23 this State prior to the first day of an intervening session of the Maryland General Assembly,
24 this section shall expire June 30 of the following calendar year. However, under no
25 circumstances shall less than seven calendar months occur between notice of termination
26 and expiration of this section.

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

29 Article – Health – General

30 19–213.

31 (a) (1) In this section the following words have the meanings indicated.

1 (2) “Facilities” means hospitals and related institutions whose rates have
2 been approved by the Commission.

3 (b) The Commission shall assess and collect user fees on facilities as defined in
4 this section.

5 (c) (1) The total fees assessed by the Commission may not exceed
6 [\$16,000,000] THE AVERAGE OF THE AMOUNTS DETERMINED UNDER THIS
7 PARAGRAPH FOR FISCAL YEARS 2023, 2024, AND 2025.

8 (2) The total user fees assessed by the Commission may not exceed the
9 Special Fund appropriation for the Commission by more than 20%.

10 (3) The user fees assessed by the Commission shall be used exclusively to
11 cover the actual documented direct costs of fulfilling the statutory and regulatory duties of
12 the Commission in accordance with the provisions of this subtitle and any administrative
13 costs for services to the Commission provided by the Department.

14 (4) The Commission shall pay all funds collected from fees assessed in
15 accordance with this section into the Health Services Cost Review Commission Fund.

16 (5) The user fees assessed by the Commission may be expended only for
17 purposes authorized by the provisions of this subtitle.

18 (6) The amount specified in paragraph (1) of this subsection limits only the
19 total user fees the Commission may assess in a fiscal year.

20 (d) (1) There is a Health Services Cost Review Commission Fund.

21 (2) The Fund is a special continuing, nonlapsing fund that is not subject to
22 § 7–302 of the State Finance and Procurement Article.

23 (3) The Treasurer shall separately hold, and the Comptroller shall account
24 for, the Fund.

25 (4) The Fund shall be invested and reinvested in the same manner as other
26 State funds.

27 (5) Any investment earnings shall be retained to the credit of the Fund.

28 (6) The Fund shall be subject to an audit by the Office of Legislative Audits
29 as provided for in § 2–1220 of the State Government Article.

30 (7) This section may not be construed to prohibit the Fund from receiving
31 funds from any other source.

1 (8) The Fund shall be used only to provide funding for the Commission and
2 for the purposes authorized under this subtitle. The costs of the Commission include the
3 administrative costs incurred by the Department on behalf of the Commission.

4 (e) The Commission shall:

5 (1) Assess user fees for each facility equal to the sum of:

6 (i) The amount equal to one half of the total user fees times the ratio
7 of admissions of the facility to total admissions of all facilities; and

8 (ii) The amount equal to one half of the total user fees times the ratio
9 of gross operating revenue of each facility to total gross operating revenues of all facilities;

10 (2) Establish minimum and maximum assessments; and

11 (3) Assess each facility on or before June 30 of each year.

12 (f) On or before September 1 of each year, each facility assessed under this
13 section shall make payment to the Commission. The Commission shall make provision for
14 partial payments.

15 (g) Any bill not paid within 30 days of an agreed payment date may be subject to
16 an interest penalty to be determined by the Commission.

17 (h) (1) This section shall terminate and be of no effect on the first day of July
18 following the cessation of a waiver by law or agreement for Medicare and Medicaid between
19 the State of Maryland and the federal government.

20 (2) If notice of intent to terminate is made by the federal government to
21 this State prior to the first day of an intervening session of the Maryland General Assembly,
22 this section shall expire June 30 of the following calendar year. However, under no
23 circumstances shall less than seven calendar months occur between notice of termination
24 and expiration of this section.

25 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take
26 effect July 1, 2022. Section 1 of this Act shall remain effective for a period of 3 years and,
27 at the end of June 30, 2025, Section 1 of this Act, with no further action required by the
28 General Assembly, shall be abrogated and of no further force and effect.

29 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
30 effect on the taking effect of the termination provision specified in Section 3 of this Act. If
31 that termination provision takes effect, Section 1 of this Act, with no further action required
32 by the General Assembly, shall be abrogated and of no further force and effect.

33 SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That, except as provided in
34 Sections 3 and 4 of this Act, this Act shall take effect July 1, 2022.