

HOUSE BILL 420

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CF SB 234

By: **Delegates M. Morgan, Bagnall, Chisholm, R. Lewis, and Szeliga**

Introduced and read first time: January 30, 2023

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Services Cost Review Commission – Hospital Rates – All-Payer Model**
3 **Contract**

4 FOR the purpose of requiring that the Health Services Cost Review Commission exercise
5 its authority to consider certain standards when determining the reasonableness of
6 certain rates in a manner that is consistent with the all-payer model contract; and
7 generally relating to the Health Services Cost Review Commission.

8 BY repealing and reenacting, with amendments,
9 Article – Health – General
10 Section 19–219
11 Annotated Code of Maryland
12 (2019 Replacement Volume and 2022 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 19–219.

17 (a) The Commission may review the costs, and rates, quality, and efficiency of
18 facility services, and make any investigation that the Commission considers necessary to
19 assure each purchaser of health care facility services that:

20 (1) The total costs of all hospital services offered by or through a facility
21 are reasonable;

22 (2) The aggregate rates of the facility are related reasonably to the
23 aggregate costs of the facility; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) The rates are set equitably among all purchasers or classes of
2 purchasers without undue discrimination or preference.

3 (b) (1) To carry out its powers under subsection (a) of this section, the
4 Commission may review and approve or disapprove the reasonableness of any rate or
5 amount of revenue that a facility sets or requests.

6 (2) A facility shall:

7 (i) Charge for services only at a rate set in accordance with this
8 subtitle; and

9 (ii) Comply with the applicable terms and conditions of the all-payer
10 model contract.

11 (3) **[In] CONSISTENT WITH THE ALL-PAYER MODEL CONTRACT, IN**
12 determining the reasonableness of rates, the Commission may take into account objective
13 standards of efficiency and effectiveness.

14 (c) Consistent with the all-payer model contract, and notwithstanding any other
15 provision of this subtitle, the Commission may:

16 (1) Establish hospital rate levels and rate increases in the aggregate or on
17 a hospital-specific basis;

18 (2) Promote and approve alternative methods of rate determination and
19 payment of an experimental nature for the duration of the all-payer model contract; and

20 (3) On request of the Secretary, assist in the implementation of federally
21 approved model programs.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2023.