



Maryland
Hospital Association

**Senate Bill 229 – Health Services Cost Review Commission – User Fee Assessment –
Repeal of Sunset**

Position: *Support with Amendments*

January 15, 2025

Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support with amendments of Senate Bill 229 which seeks to remove the sunset on the user fee the Health Services Cost Review Commission (HSCRC) assess and collects from hospitals.

MHA cautions against completely removing the sunset at a time of great change and uncertainty in the hospital field. The state signed an agreement with the federal government in October 2024 to start the process of entering the new AHEAD model. It will be several more months before the individual hospitals complete the process necessary to sign participation agreements with the state and CMS. Hospitals face new requirements, targets, responsibilities under this new model. While the framework is falling into place, at this early stage many of the details remain unknown or in the process of being developed.

We believe it would be prudent to allow for the implementation of the AHEAD model to take place before making any alterations to the user fee. Extending the sunset from 2025 to 2027 will allow time for the implementation process to come together, to properly assess the hospital landscape under the new model and determine what is financially needed moving forward.

It is particularly important to properly assess the landscape before altering the user fee. It would be premature to remove the sunset and allow for guaranteed perpetual growth in the assessment cap without understanding HSCRC's authority and responsibilities under the new model. There should also be a clear process for assessing the effectiveness of HSCRC and their spending. There should also be a clear accounting of the roles HSCRC and other health regulatory agencies play to safeguard against duplicative services and unnecessary costs.

We appreciate the work performed by HSCRC and believe they should have resources sufficient to successfully perform their duties and successfully execute the model. However, more time and information is needed before determining whether it is appropriate to remove the sunset. For these reasons, we request a favorable with amendments report on SB 229.

For more information, please contact:

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