

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Department of Health and Mental Hygiene
(DLS Control No. 14-040)**

Overview and Legal and Fiscal Impact

The proposed regulation requires hospitals to submit to the Health Services Cost Review Commission (HSCRC) all data required for evaluation purposes in compliance with the January 1, 2014 All-Payer Model Agreement executed between the State and the Center for Medicare and Medicaid Innovation (CMMI).

The regulation presents no legal issue of concern.

There is no fiscal impact on State or local agencies.

Regulation of COMAR Affected

Department of Health and Mental Hygiene:

Health Services Cost Review Commission: Uniform Accounting and Reporting System for Hospitals and Related Institutions: COMAR 10.37.01.03

Legal Analysis

Background

Effective January 1, 2014, the Maryland All-Payer Model Agreement executed between the State and CMMI governs reimbursement of Maryland hospitals for hospital services rendered.

Summary of Regulation

COMAR 10.37.01.03 establishes various reporting requirements for hospitals. New Regulation .03P requires hospitals to submit to the HSCRC all data required for evaluation purposes in compliance with the January 1, 2014 All-Payer Model Agreement.

Legal Issue

The regulation presents no legal issue of concern.

Statutory Authority and Legislative Intent

The HSCRC cites §§ 19-207 and 19-212 of the Health – General Article as authority for the regulation. More specifically, § 19-207(a) authorizes the HSCRC to adopt rules and regulations to carry out the provisions of Title 19, Subtitle 2, which concerns the HSCRC. Section 19-212 requires the HSCRC to obtain and review information concerning the hospital industry’s financial structure and fiscal health.

The cited authority is correct and complete. The regulation complies with the legislative intent of the law.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The proposed regulation requires hospitals to submit to HSCRC all data required for evaluation purposes in compliance with the January 1, 2014 All-Payer Model Agreement executed between the State and CMMI. HSCRC indicates that the regulation has no fiscal impact. The Department of Legislative Services concurs.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

HSCRC advises that the regulation has minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

Additional Comments

In March 2013, the Department of Health and Mental Hygiene (DHMH) submitted an initial model proposal to CMMI to replace the State’s all-payer, rate-regulated hospital financing system. On January 10, 2014, CMMI announced approval of the new model – the Maryland all-payer model. Under the model, Maryland will transition from the current waiver to a new five-year demonstration contract. The demonstration will be deemed successful if Maryland can meet the hospital cost and quality targets without inappropriately shifting costs to nonhospital settings *and* if there is a measurable improvement in quality of care. DHMH anticipates that the model will produce net savings for the federal government, the State, and private payers, while providing stability and predictability for Maryland.

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