
By: **Chairman, Environmental Matters Committee (Departmental - Health and Mental Hygiene)**

Introduced and read first time: January 29, 1998

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: April 3, 1998

CHAPTER _____

1 AN ACT concerning

2 **Health Services Cost Review Commission - Hospital Rates - Outpatient**
3 **Services**

4 FOR the purpose of requiring the Health Services Cost Review Commission to allow
5 hospitals to charge less than a Commission-approved rate for outpatient
6 surgical services; authorizing the Commission to define certain hospital
7 outpatient services for which a hospital may charge less than certain rates
8 under certain circumstances; requiring certain hospitals to provide certain
9 information to the Commission; allowing the Commission to conduct an audit
10 under certain circumstances and to impose certain requirements on certain
11 hospitals under certain circumstances; requiring the Commission to adopt
12 certain regulations; allowing the Commission to adopt certain regulations
13 providing for the treatment of social costs associated with certain outpatient
14 services; and generally relating to the Commission and rates for certain hospital
15 outpatient services.

16 BY repealing and reenacting, with amendments,
17 Article - Health - General
18 Section 19-217(b)
19 Annotated Code of Maryland
20 (1996 Replacement Volume and 1997 Supplement)

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

1 **Article - Health - General**

2 19-217.

3 (b) (1) The Commission shall define, by rule or regulation, the types and
 4 classes of charges that may not be changed, except as specified in § 19-219 of this
 5 subtitle.

6 (2) (I) ~~THE COMMISSION SHALL DEFINE THE~~ SHALL ALLOW
 7 HOSPITALS TO CHARGE LESS THAN A COMMISSION-APPROVED RATE FOR
 8 OUTPATIENT SURGICAL SERVICES, AND MAY DEFINE OTHER TYPES AND CLASSES OF
 9 HOSPITAL OUTPATIENT SERVICES FOR WHICH A HOSPITAL MAY CHARGE LESS THAN
 10 A COMMISSION-APPROVED RATE SUBJECT TO THE FOLLOWING CONDITIONS:

11 1. THE COMMISSION SHALL ESTABLISH MAXIMUM
 12 APPROVABLE RATES; AND

13 ~~2. THE COMMISSION MAY ESTABLISH MINIMUM~~
 14 ~~APPROVABLE RATES; AND~~

15 ~~3.~~ 2. ANY REVENUE LOSS ASSOCIATED WITH A HOSPITAL
 16 CHARGING LESS THAN A COMMISSION-APPROVED RATE MAY NOT BE:

17 A. RECOGNIZED BY THE COMMISSION AS REASONABLE
 18 COSTS FOR REIMBURSEMENT; OR

19 B. CONSIDERED JUSTIFICATION FOR A RATE INCREASE.

20 ~~(II) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT~~
 21 ~~THE PROVISIONS OF THIS PARAGRAPH.~~

22 ~~(III)~~ (II) THE COMMISSION MAY ADOPT REGULATIONS PROVIDING
 23 FOR THE REGULATORY TREATMENT OF SOCIAL COSTS ASSOCIATED WITH THE TYPES
 24 AND CLASSES OF HOSPITAL OUTPATIENT SERVICES DEFINED BY THE COMMISSION
 25 UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

26 (3) (I) PURSUANT TO PARAGRAPH (2) OF THIS SUBSECTION, EACH
 27 HOSPITAL THAT CHARGES LESS THAN A COMMISSION-APPROVED RATE FOR AN
 28 OUTPATIENT SERVICE SHALL MAKE AVAILABLE TO THE COMMISSION, ON AN
 29 ANNUAL BASIS, DATA ON ITS CHARGES, REVENUES, UTILIZATION, AND COSTS IN
 30 PROVIDING THE OUTPATIENT SERVICE.

31 (II) THE COMMISSION SHALL ENSURE ANNUALLY THE ACCURACY
 32 OF THE DATE REFERENCED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH THROUGH
 33 AUDITS AND SPECIAL AUDITS IN THE SAME MANNER AS THE COMMISSION REVIEWS
 34 DATA ON REGULATED HOSPITAL SERVICES.

35 (III) THE COMMISSION SHALL MAKE AVAILABLE FOR PUBLIC
 36 INSPECTION ALL REPORTS, INCLUDING ANY AUDITS AND SPECIAL AUDITS,
 37 CONDUCTED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

1 (IV) IF THE COMMISSION DETERMINES THAT THE DATA
2 REFERENCED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT REFLECT THE
3 TRUE AND ACCURATE COSTS AND REVENUES OF PROVIDING THESE SERVICES, THE
4 COMMISSION MAY IMPOSE APPROPRIATE ADDITIONAL REQUIREMENTS, INCLUDING
5 THE FORMATION OF A SEPARATE CORPORATE STRUCTURE FOR THE SERVICES.

6 (4) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THE
7 PROVISIONS OF PARAGRAPHS (2) AND (3) OF THIS SUBSECTION.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
9 effect ~~October 1, 1998~~ July 1, 1998.