

SENATE BILL 737

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1998 Regular Session
8lr2244
CF 8lr2218

By: **Senator Madden**

Introduced and read first time: February 23, 1998

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Health Services Cost Review Commission - Facility Rates**

3 FOR the purpose of authorizing the Health Services Cost Review Commission to
4 make a certain assurance to each purchaser of health care facility services that
5 certain unit rates are set equitably among certain purchasers without undue
6 discrimination or preference; requiring the Commission to perform a full rate
7 review of each health care facility at a certain interval; requiring the
8 Commission to approve rates only prospectively; requiring the Commission, in
9 addition to a certain facility, to consider the appropriateness of a change in a
10 certain rate schedule or in a certain charge; requiring a certain facility that
11 changes its rate or rate schedule concerning either aggregate or unit rates to
12 disclose the change to the Commission and payors and to file the change with
13 the Commission; and generally relating to the Health Services Cost Review
14 Commission and the rates of certain facilities.

15 BY repealing and reenacting, without amendments,
16 Article - Health - General
17 Section 19-201(a), (b), and (c)
18 Annotated Code of Maryland
19 (1996 Replacement Volume and 1997 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article - Health - General
22 Section 19-216 and 19-219(a)
23 Annotated Code of Maryland
24 (1996 Replacement Volume and 1997 Supplement)

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

1 **Article - Health - General**

2 19-201.

3 (a) In this subtitle the following words have the meanings indicated.

4 (b) "Commission" means the State Health Services Cost Review Commission.

5 (c) "Facility" means, whether operated for a profit or not:

6 (1) Any hospital; or

7 (2) Any related institution.

8 19-216.

9 (a) The Commission may review costs and rates and make any investigation
10 that the Commission considers necessary to assure each purchaser of health care
11 facility services that:12 (1) The total costs of all hospital services offered by or through a facility
13 are reasonable;14 (2) The aggregate rates of the facility are related reasonably to the
15 aggregate costs of the facility; and16 (3) The UNIT rates are set equitably among all purchasers or classes of
17 purchasers without undue discrimination or preference.18 (b) (1) To carry out its powers under subsection (a) of this section, the
19 Commission may review and approve or disapprove the reasonableness of any rate
20 that a facility sets or requests.21 (2) A facility shall charge for services only at a rate set in accordance
22 with this subtitle.23 (3) In determining the reasonableness of rates, the Commission may
24 take into account objective standards of efficiency and effectiveness.25 (c) To promote the most efficient and effective use of health care facility
26 services and, if it is in the public interest and consistent with this subtitle, the
27 Commission may promote and approve alternate methods of rate determination and
28 payment that are of an experimental nature.29 (D) THE COMMISSION SHALL PERFORM A FULL RATE REVIEW OF EACH
30 FACILITY AT LEAST ONCE EVERY 3 YEARS.

31 (E) THE COMMISSION SHALL APPROVE RATES ONLY PROSPECTIVELY.

1 19-219.

2 (a) (1) A facility may not change any rate schedule or charge of any type or
3 class defined under § 19-217(b) of this subtitle, unless the facility files with the
4 Commission a written notice of the proposed change that is supported by any
5 information that the facility AND THE COMMISSION [considers] CONSIDER
6 appropriate.

7 (2) A FACILITY THAT CHANGES ITS RATE OR RATE SCHEDULE
8 CONCERNING EITHER AGGREGATE OR UNIT RATES SHALL:

9 (I) DISCLOSE THE CHANGE TO THE COMMISSION AND PAYORS;
10 AND

11 (II) FILE THE CHANGE WITH THE COMMISSION.

12 [(2)] (3) Unless the Commission orders otherwise in conformity to this
13 section, a change in the rate schedule or charge is effective on the date that the notice
14 specifies. That effective date shall be at least 30 days after the date on which the
15 notice is filed.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 1998.