
By: **Delegates Guns, Oaks, Cane, Eckardt, Schisler, W. Baker, and Walkup**
Introduced and read first time: February 12, 1999
Assigned to: Environmental Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 22, 1999

CHAPTER _____

1 AN ACT concerning

2 **Off-Site Outpatient Hospital Facility - Rate Regulation**

3 FOR the purpose of altering certain reimbursement procedures for certain services in
4 certain facilities under the Maryland Medical Assistance Program; authorizing a
5 hospital that has transferred certain outpatient services to an off-site facility
6 prior to a certain date due to zoning restrictions at the hospital campus to elect
7 to have these services subject to certain provisions of law under certain
8 circumstances; providing for the effective date of this Act; and generally relating
9 to off-site outpatient hospital facilities.

10 BY repealing and reenacting, with amendments,
11 Article - Health - General
12 Section 15-105(c)
13 Annotated Code of Maryland
14 (1994 Replacement Volume and 1998 Supplement)

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

17 **Article - Health - General**

18 15-105.

19 (c) (1) The Department shall adopt regulations for the reimbursement of
20 specialty outpatient treatment and diagnostic services rendered to Program
21 recipients at a freestanding clinic owned and operated by a hospital that is under a
22 capitation agreement approved by the Health Services Cost Review Commission.

1 (2) (I) [The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
 2 PARAGRAPH, THE reimbursement rate under paragraph (1) of this subsection shall be
 3 set according to Medicare standards and principles for retrospective cost
 4 reimbursement as described in 42 CFR Part 413 or on the basis of charges, whichever
 5 is less.

6 (II) THE REIMBURSEMENT RATE FOR A HOSPITAL THAT HAS
 7 TRANSFERRED OUTPATIENT ONCOLOGY, DIAGNOSTIC, REHABILITATIVE, AND
 8 DIGESTIVE DISEASE SERVICES TO AN OFF-SITE FACILITY PRIOR TO JANUARY 1, 1999
 9 SHALL BE SET ACCORDING TO THE RATES APPROVED BY THE HEALTH SERVICES
 10 COST REVIEW COMMISSION IF:

11 1. THE TRANSFER OF SERVICES WAS DUE TO ZONING
 12 RESTRICTIONS AT THE HOSPITAL CAMPUS;

13 2. THE OFF-SITE FACILITY IS SURVEYED AS PART OF THE
 14 HOSPITAL FOR PURPOSES OF ACCREDITATION BY THE JOINT COMMISSION ON THE
 15 ACCREDITATION OF HEALTHCARE ORGANIZATIONS; AND

16 3. THE HOSPITAL NOTIFIES THE HEALTH SERVICES COST
 17 REVIEW COMMISSION IN WRITING BY JULY 1, 1999 THAT THE HOSPITAL WOULD LIKE
 18 THE SERVICES PROVIDED AT THE OFF-SITE FACILITY SUBJECT TO TITLE 19,
 19 SUBTITLE 2 OF THE HEALTH - GENERAL ARTICLE.

20 SECTION ~~4.~~ 2. ~~BE IT ENACTED BY THE GENERAL ASSEMBLY OF~~
 21 ~~MARYLAND AND BE IT FURTHER ENACTED.~~ That, notwithstanding any
 22 provision of § 19-201 of the Health - General Article, a hospital that has transferred
 23 outpatient oncology, diagnostic, rehabilitative, and digestive disease services to an
 24 off-site facility prior to January 1, 1999 may elect to have these outpatient services
 25 subject to Title 19, Subtitle 2 of the Health - General Article if:

26 (a) the transfer was due to zoning restrictions at the hospital campus;

27 (b) the off-site facility is surveyed as part of the hospital for purposes of
 28 accreditation by the Joint Commission on the Accreditation of Healthcare
 29 Organizations; and

30 (c) the hospital notifies the Health Services Cost Review Commission in
 31 writing by July 1, 1999 that the hospital would like the services provided at the
 32 off-site facility subject to Title 19, Subtitle 2 of the Health - General Article.

33 SECTION ~~2.~~ 3. ~~AND BE IT FURTHER ENACTED,~~ That this Act shall take
 34 effect June 1, 1999.

