

HOUSE BILL 733  
SECOND PRINTING

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J3

2001 Regular Session  
(11r0159)

**ENROLLED BILL**  
-- Environmental Matters/Finance --

Introduced by **Chairman, Environmental Matters Committee (Departmental -  
Health and Mental Hygiene)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Services Cost Review Commission - User Fees**

3 FOR the purpose of altering the maximum amount of user fees the Health Services  
4 Cost Review Commission may assess; specifying the percentage amount that  
5 user fees assessed may be increased from one fiscal year to the next; clarifying  
6 that the maximum user fee assessment applies only to user fees assessed in any  
7 fiscal year; providing that the Commission may not increase the total amount of  
8 certain fees assessed until the later of a certain date or the submission of a certain  
9 report; and generally relating to the Health Services Cost Review Commission.

10 BY repealing and reenacting, with amendments,

11 Article - Health - General

12 Section 19-213

13 Annotated Code of Maryland

14 (2000 Replacement Volume)

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

3 **Article - Health - General**

4 19-213.

5 (a) (1) In this section the following words have the meanings indicated.

6 (2) "Facilities" means hospitals and related institutions whose rates  
7 have been approved by the Commission.

8 (b) The Commission shall assess and collect user fees on facilities as defined  
9 in this section.

10 (c) (1) The total user fees assessed by the Commission may not exceed  
11 [\$3,500,000] \$4,000,000 in any fiscal year.

12 (2) The total user fees assessed by the Commission may not exceed the  
13 Special Fund appropriation for the Commission by more than 20%.

14 (3) The user fees assessed by the Commission shall be used exclusively  
15 to cover the actual documented direct costs of fulfilling the statutory and regulatory  
16 duties of the Commission in accordance with the provisions of this subtitle.

17 (4) The Commission shall pay all funds collected from fees assessed in  
18 accordance with this section into the Health Services Cost Review Commission Fund.

19 (5) The user fees assessed by the Commission may be expended only for  
20 purposes authorized by the provisions of this subtitle.

21 (6) THE PERCENTAGE AMOUNT BY WHICH TOTAL USER FEES ASSESSED  
22 BY THE COMMISSION UNDER THIS SECTION ARE INCREASED FROM ONE FISCAL  
23 YEAR TO THE NEXT MAY NOT EXCEED THE PERCENTAGE AMOUNT BY WHICH THE  
24 ANNUAL UPDATE FACTOR APPLICABLE TO ALL MARYLAND GENERAL ACUTE CARE  
25 HOSPITALS IS INCREASED FOR THE SAME FISCAL YEAR.

26 (7) THE AMOUNT SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION  
27 LIMITS ONLY THE TOTAL USER FEES THE COMMISSION MAY ASSESS IN A FISCAL  
28 YEAR.

29 (d) (1) There is a Health Services Cost Review Commission Fund.

30 (2) The Fund is a special continuing, nonlapsing fund that is not subject  
31 to § 7-302 of the State Finance and Procurement Article.

32 (3) The Treasurer shall separately hold, and the Comptroller shall  
33 account for, the Fund.

1 (4) The Fund shall be invested and reinvested in the same manner as  
2 other State funds.

3 (5) Any investment earnings shall be retained to the credit of the Fund.

4 (6) The Fund shall be subject to an audit by the Office of Legislative  
5 Audits as provided for in § 2-1220 of the State Government Article.

6 (7) This section may not be construed to prohibit the Fund from  
7 receiving funds from any other source.

8 (8) The Fund shall be used only to provide funding for the Commission  
9 and for the purposes authorized under this subtitle.

10 (e) The Commission shall:

11 (1) Assess user fees for each facility equal to the sum of:

12 (i) The amount equal to one half of the total user fees times the  
13 ratio of admissions of the facility to total admissions of all facilities; and

14 (ii) The amount equal to one half of the total user fees times the  
15 ratio of gross operating revenue of each facility to total gross operating revenues of all  
16 facilities;

17 (2) Establish minimum and maximum assessments; and

18 (3) Assess each facility on or before June 30 of each year.

19 (f) On or before September 1 of each year, each facility assessed under this  
20 section shall make payment to the Commission. The Commission shall make  
21 provision for partial payments.

22 (g) Any bill not paid within 30 days of an agreed payment date may be subject  
23 to an interest penalty to be determined by the Commission.

24 (h) (1) This section shall terminate and be of no effect on the first day of July  
25 following the cessation of a waiver by law or agreement for Medicare and Medicaid  
26 between the State of Maryland and the federal government.

27 (2) If notice of intent to terminate is made by the federal government to  
28 this State prior to the first day of an intervening session of the Maryland General  
29 Assembly, this section shall expire June 30 of the following calendar year. However,  
30 under no circumstances shall less than seven calendar months occur between notice  
31 of termination and expiration of this section.

32 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the  
33 provisions of Section 1 of this Act, the Health Services Cost Review Commission may  
34 not increase the amount of total user fees assessed in any fiscal year beyond \$3,500,000  
35 until the later of:

1           (1)     July 1, 2001; or

2           (2)     the Commission's completion of an assessment of the financial  
3 condition and future viability of Maryland's hospitals and submission of a report, in  
4 accordance with § 2-1246 of the State Government Article, on its findings and plan of  
5 corrective action to the Senate Finance Committee, the Senate Budget and Taxation  
6 Committee, the House Environmental Matters Committee, and the House Economic  
7 Matters Committee.

8     SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
9 effect ~~October~~ June 1, 2001.