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

Introduced and read first time: February 8, 2001

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2001

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; and generally relating to the Health Services Cost Review
8 Commission.

9 BY repealing and reenacting, with amendments,
10 Article - Health - General
11 Section 19-213
12 Annotated Code of Maryland
13 (2000 Replacement Volume)

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

16 **Article - Health - General**

17 19-213.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (e) The Commission shall:

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

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

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

8 (2) Establish minimum and maximum assessments; and

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

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

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

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

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

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
24 effect October 1, 2001.