

HOUSE BILL 1313

Unofficial Copy
J3

2004 Regular Session
4lr2363
CF 4lr2364

By: **Delegates Gaines, Hubbard, Benson, Brown, Conroy, D. Davis, Frush,
Griffith, Healey, Holmes, Howard, Kelley, Menes, Moe, Niemann, Parker,
Patterson, Ramirez, Ross, Vallario, and Vaughn**

Introduced and read first time: February 13, 2004

Assigned to: Health and Government Operations and Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Distressed Hospital Reform Act of 2004**

3 FOR the purpose of altering the institutions that may apply for the Statewide
4 Academic Health Center Public Health Grant to include the Prince George's
5 Hospital Center; requiring the Statewide Academic Health Center Public Health
6 Grant to provide a specified grant amount to the Prince George's Hospital
7 Center; establishing a Disproportionate Share Hospital Payment Program and a
8 Distressed Healthcare Facility Grant Program in the Department of Health and
9 Mental Hygiene; establishing the purpose of and requirements for the
10 Programs; requiring the Secretary to adopt certain regulations; requiring the
11 Governor to provide certain amounts in the budget of the Department;
12 authorizing money in the Maryland Emergency Medical System Operations
13 Fund to be used for the Prince George's Hospital Regional Trauma Center;
14 defining certain terms; providing for the termination of certain provisions of this
15 Act; and generally relating to the Distressed Hospital Reform Act of 2004.

16 BY repealing and reenacting, with amendments,
17 Article - Health - General
18 Section 13-1115(a)
19 Annotated Code of Maryland
20 (2000 Replacement Volume and 2003 Supplement)

21 BY adding to
22 Article - Health - General
23 Section 19-2101 and 19-2102 to be under the new subtitle "Subtitle
24 21. Disproportionate Share Hospital Payment Program"; and 19-2201 and
25 19-2202 to be under the new subtitle "Subtitle 22. Distressed Healthcare
26 Facility Grant Program"
27 Annotated Code of Maryland
28 (2000 Replacement Volume and 2003 Supplement)

29 BY repealing and reenacting, with amendments,

1 Article - Transportation
2 Section 13-955(e)
3 Annotated Code of Maryland
4 (2002 Replacement Volume and 2003 Supplement)

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

7 **Article - Health - General**

8 13-1115.

9 (a) (1) Subject to the other provisions of this section, the University of
10 Maryland Medical Group, [and] the Johns Hopkins Institutions, AND THE PRINCE
11 GEORGE'S HOSPITAL CENTER may each apply for a Statewide Academic Health
12 Center Public Health Grant.

13 (2) The amount of each Statewide Academic Health Center Public
14 Health Grant that is distributed to the University of Maryland Medical Group, [or]
15 the Johns Hopkins Institutions, OR THE PRINCE GEORGE'S HOSPITAL CENTER,
16 respectively, shall be equal to the sum of:

17 (i) \$2,000,000; and

18 (ii) One-half of any money that is transferred from the Local Public
19 Health Component to the Statewide Academic Health Center Component under §
20 13-1108(c) of this subtitle.

21 SUBTITLE 21. DISPROPORTIONATE SHARE HOSPITAL PAYMENT PROGRAM.

22 19-2101.

23 (A) (1) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
24 INDICATED.

25 (2) "PROGRAM" MEANS THE DISPROPORTIONATE SHARE HOSPITAL
26 PAYMENT PROGRAM.

27 (3) "UNDERSERVED AREA" MEANS BALTIMORE CITY, PRINCE GEORGE'S
28 COUNTY, SOMERSET COUNTY, WICOMICO COUNTY, OR WORCESTER COUNTY.

29 (4) "UNINSURED PATIENT" MEANS A PATIENT WHO:

30 (I) HAS NO HEALTH INSURANCE, INCLUDING MEDICARE PART B
31 COVERAGE; AND

32 (II) IS NOT ELIGIBLE FOR MEDICAL ASSISTANCE COVERAGE.

33 (B) THERE IS A DISPROPORTIONATE SHARE HOSPITAL PAYMENT PROGRAM IN
34 THE DEPARTMENT.

1 (C) THE PURPOSE OF THE PROGRAM IS TO SUBSIDIZE THE COSTS OF
2 PHYSICIAN CARE PROVIDED IN HOSPITALS IN UNDERSERVED AREAS TO UNINSURED
3 PATIENTS.

4 19-2102.

5 (A) THE SECRETARY SHALL ADMINISTER THE PROGRAM.

6 (B) THE PROGRAM SHALL REIMBURSE 50% OF THE DOCUMENTED COSTS OF
7 PHYSICIAN CARE PROVIDED IN HOSPITALS LOCATED IN UNDERSERVED AREAS TO
8 UNINSURED PATIENTS.

9 (C) THE SECRETARY SHALL ADOPT REGULATIONS THAT SPECIFY THE
10 INFORMATION THAT A HOSPITAL MUST SUBMIT TO RECEIVE REIMBURSEMENT
11 UNDER THE PROGRAM.

12 (D) THE GOVERNOR SHALL PROVIDE SUFFICIENT FUNDS IN THE
13 DEPARTMENT'S BUDGET TO COVER THE COSTS OF THE PROGRAM.

14 **Article - Transportation**

15 13-955.

16 (e) The money in the Fund shall be used solely for:

17 (1) Medically oriented functions of the Department of State Police,
18 Special Operations Bureau, Aviation Division;

19 (2) The Maryland Institute for Emergency Medical Services Systems;

20 (3) The R Adams Cowley Shock Trauma Center at the University of
21 Maryland Medical System AND THE PRINCE GEORGE'S HOSPITAL REGIONAL TRAUMA
22 CENTER;

23 (4) The Maryland Fire and Rescue Institute;

24 (5) The provision of grants under the Senator William H. Amoss Fire,
25 Rescue, and Ambulance Fund in accordance with the provisions of Title 8, Subtitle 1
26 of the Public Safety Article; and

27 (6) The Low Interest Revolving Loan Account under the Volunteer
28 Company Assistance Fund in accordance with the provisions of Title 8, Subtitle 2 of
29 the Public Safety Article.

30 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
31 read as follows:

Article - Health - General

1
2 SUBTITLE 22. DISTRESSED HEALTHCARE FACILITY GRANT PROGRAM.

3 19-2201.

4 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (2) "PROGRAM" MEANS THE DISTRESSED HEALTHCARE FACILITY GRANT
7 PROGRAM.

8 (3) (I) "UNCOMPENSATED CARE" MEANS CARE PROVIDED FOR WHICH
9 COMPENSATION IS NOT RECEIVED.

10 (II) "UNCOMPENSATED CARE" INCLUDES ANY COMBINATION OF
11 BAD DEBTS AND CHARITY CARE, AS DETERMINED BY THE HEALTH SERVICES COST
12 REVIEW COMMISSION.

13 (B) THERE IS A DISTRESSED HEALTHCARE FACILITY GRANT PROGRAM IN THE
14 DEPARTMENT.

15 (C) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO HEALTHCARE
16 FACILITIES WITH A SIGNIFICANT UNCOMPENSATED CARE BURDEN.

17 (D) TO BE ELIGIBLE FOR THE PROGRAM, A HEALTHCARE FACILITY SHALL:

18 (1) HAVE PROVIDED UNCOMPENSATED CARE IN THE PREVIOUS YEAR
19 THAT EXCEEDS:

20 (I) \$20 MILLION; OR

21 (II) 20% OF THE HEALTHCARE FACILITY'S TOTAL REVENUE; AND

22 (2) BEGINNING JULY 1, 2004 AND ON OR BEFORE JULY 1 OF EACH
23 SUBSEQUENT YEAR, SUBMIT A REPORT TO THE DEPARTMENT DOCUMENTING THE
24 COSTS SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION.

25 19-2202.

26 (A) THE PROGRAM SHALL PROVIDE A GRANT OF \$5 MILLION ANNUALLY TO A
27 HEALTHCARE FACILITY THAT MEETS THE ELIGIBILITY REQUIREMENTS OF THE
28 PROGRAM.

29 (B) A GRANT FROM THE PROGRAM MAY ONLY BE USED TO SUPPORT ONGOING
30 OPERATING EXPENSES ASSOCIATED WITH THE HEALTH CARE MISSION OF THE
31 HEALTHCARE FACILITY.

32 (C) THE SECRETARY SHALL ADOPT REGULATIONS THAT SPECIFY THE
33 INFORMATION THAT A HEALTHCARE FACILITY MUST SUBMIT TO RECEIVE A GRANT
34 UNDER THE PROGRAM.

1 (D) THE GOVERNOR SHALL PROVIDE SUFFICIENT FUNDS IN THE
2 DEPARTMENT'S BUDGET TO COVER THE COSTS OF THE PROGRAM.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
4 effect July 1, 2004. Section 2 of this Act shall remain effective for a period of 5 years
5 and, at the end of June 30, 2009, with no further action required by the General
6 Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.