Unofficial Copy

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 Committee Report: Favorable with amendments House action: Adopted Read second time: April 5, 2004 CHAPTER 1 AN ACT concerning 2 Distressed Hospital Reform Act of 2004 3 Task Force to Study Physician Reimbursement at Maryland Hospitals 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 6 Hospital Center; requiring the Statewide Academic Health Center Public Health 7 Grant to provide a specified grant amount to the Prince George's Hospital 8 Center; establishing a Disproportionate Share Hospital Payment Program and a 9 Distressed Healthcare Facility Grant Program in the Department of Health and 10 Mental Hygiene; establishing the purpose of and requirements for the 11 Programs; requiring the Secretary to adopt certain regulations; requiring the 12 Governor to provide certain amounts in the budget of the Department; 13 authorizing money in the Maryland Emergency Medical System Operations 14 Fund to be used for the Prince George's Hospital Regional Trauma Center; 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 17 FOR the purpose of establishing a Task Force to Study Physician Reimbursement at Maryland Hospitals; specifying the membership of the Task Force; requiring the 18 19 Task Force to conduct a certain study and make certain recommendations;

<u>requiring the Task Force to issue a report in a certain manner on or before a</u> certain date; providing for the termination of this Act; and generally relating to

the Task Force to Study Physician Reimbursement at Maryland Hospitals.

- 23 BY repealing and reenacting, with amendments,
- 24 Article Health General

20

21 22

1	Section 13-1115(a)								
2	Annotated Code of Maryland								
3	(2000 Replacement Volume and 2003 Supplement)								
4	BY adding to								
5	Article Health General								
6	Section 19-2101 and 19-2102 to be under the new subtitle "Subtitle								
7	21. Disproportionate Share Hospital Payment Program"; and 19 2201 and								
8	19 2202 to be under the new subtitle "Subtitle 22. Distressed Healthcare								
9	Facility Grant Program"								
10	Annotated Code of Maryland								
11	(2000 Replacement Volume and 2003 Supplement)								
12	BY repealing and reenacting, with amendments,								
13									
14									
15									
16	·								
17	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF								
18	MARYLAND, That the Laws of Maryland read as follows:								
19	Article - Health - General								
20	<del>13 1115.</del>								
21	(a) Subject to the other provisions of this section, the University of								
	Maryland Medical Group, [and] the Johns Hopkins Institutions, AND THE PRINCE								
23	GEORGE'S HOSPITAL CENTER may each apply for a Statewide Academic Health								
24	Center Public Health Grant.								
25	(2) The amount of each Statewide Academic Health Center Public								
26	Health Grant that is distributed to the University of Maryland Medical Group, [or]								
27	the Johns Hopkins Institutions, OR THE PRINCE GEORGE'S HOSPITAL CENTER,								
28	respectively, shall be equal to the sum of:								
29	(i) \$2,000,000; and								
30	(ii) One-half of any money that is transferred from the Local Public								
	Health Component to the Statewide Academic Health Center Component under §								
32	13 1108(c) of this subtitle.								
33	SUBTITLE 21. DISPROPORTIONATE SHARE HOSPITAL PAYMENT PROGRAM.								
34	<del>19 2101.</del>								
35									
	INDICATED.								

## **HOUSE BILL 1313**

1	PAYMENT	· /		RAM" MEANS THE DISPROPORTIONATE SHARE HOSPITAL
3	COUNTY, S	( <del>3)</del> OMERS		RSERVED AREA" MEANS BALTIMORE CITY, PRINCE GEORGE'S NTY, WICOMICO COUNTY, OR WORCESTER COUNTY.
5		<del>(4)</del>	"UNINS	SURED PATIENT" MEANS A PATIENT WHO:
6 7	COVERAGI	E; AND	<del>(I)</del>	HAS NO HEALTH INSURANCE, INCLUDING MEDICARE PART B
8			<del>(II)</del>	IS NOT ELIGIBLE FOR MEDICAL ASSISTANCE COVERAGE.
9 10	( <del>B)</del> THE DEPA			SPROPORTIONATE SHARE HOSPITAL PAYMENT PROGRAM IN
	(C) PHYSICIAN PATIENTS:	V CARE		OF THE PROGRAM IS TO SUBSIDIZE THE COSTS OF DED IN HOSPITALS IN UNDERSERVED AREAS TO UNINSURED
14	<del>19 2102.</del>			
15	<del>(A)</del>	THE SE	CRETA	RY SHALL ADMINISTER THE PROGRAM.
	` '	CARE	PROVIE	1 SHALL REIMBURSE 50% OF THE DOCUMENTED COSTS OF DED IN HOSPITALS LOCATED IN UNDERSERVED AREAS TO
	(C) INFORMAT UNDER TH	FION TH	AT A H	RY SHALL ADOPT REGULATIONS THAT SPECIFY THE OSPITAL MUST SUBMIT TO RECEIVE REIMBURSEMENT
22 23				OR SHALL PROVIDE SUFFICIENT FUNDS IN THE TO COVER THE COSTS OF THE PROGRAM.
24				Article - Transportation
25	<del>13-955.</del>			
26	<del>(e)</del>	The mor	ney in the	e Fund shall be used solely for:
27 28	Special Ope	<del>(1)</del> rations B		ly oriented functions of the Department of State Police, viation Division;
29		<del>(2)</del>	The Ma	ryland Institute for Emergency Medical Services Systems;
	Maryland M CENTER;	<del>(3)</del> ledical Sy		Adams Cowley Shock Trauma Center at the University of ND THE PRINCE GEORGE'S HOSPITAL REGIONAL TRAUMA
33		<del>(4)</del>	The Ma	ryland Fire and Rescue Institute;

## **HOUSE BILL 1313**

1	(5) The provision of grants under the Senator William H. Amoss Fire,				
2	Rescue, and Ambulance Fund in accordance with the provisions of Title 8, Subtitle 1				
3	of the Public Safety Article; and				
4	(6) The Low Interest Revolving Loan Account under the Volunteer				
	Company Assistance Fund in accordance with the provisions of Title 8, Subtitle 2 of				
	the Public Safety Article.				
U	the Fuole Salety Princie.				
7	SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland				
7	· · · · · · · · · · · · · · · · · · ·				
8	<del>read as follows:</del>				
0					
9	Article - Health - General				
10	SUBTITLE 22. DISTRESSED HEALTHCARE FACILITY GRANT PROGRAM.				
11	<del>19-2201.</del>				
12	(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS				
13	INDICATED.				
14	(2) "PROGRAM" MEANS THE DISTRESSED HEALTHCARE FACILITY GRANT				
	PROGRAM.				
13	FROOK LIVI.				
1.0	(2) (I) HUNGOMBENGATED GAREH MEANG GARE DROWDED FOR WHIGH				
16	(3) (I) "UNCOMPENSATED CARE" MEANS CARE PROVIDED FOR WHICH				
1/	COMPENSATION IS NOT RECEIVED.				
10	(II) III NGO MENGAMEN GANER MAGALINEGAN MAGALINA				
18	(II) "UNCOMPENSATED CARE" INCLUDES ANY COMBINATION OF				
	BAD DEBTS AND CHARITY CARE, AS DETERMINED BY THE HEALTH SERVICES COST				
20	REVIEW COMMISSION.				
21	(B) THERE IS A DISTRESSED HEALTHCARE FACILITY GRANT PROGRAM IN THE				
22	DEPARTMENT.				
23	(C) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO HEALTHCARE				
	FACILITIES WITH A SIGNIFICANT UNCOMPENSATED CARE BURDEN.				
	THEILITES WITH MOONING ONCOME ENGINEED CHIEF DONDEN.				
25	(D) TO BE ELIGIBLE FOR THE PROGRAM, A HEALTHCARE FACILITY SHALL:				
23	(b) TO BE EEROIDEE FOR THE TROOKINI, A TIEMETHE THE ENT TO SHINEE.				
26	(1) HAVE PROVIDED UNCOMPENSATED CARE IN THE PREVIOUS YEAR				
	(-)				
21	THAT EXCEEDS:				
• •	(T)				
28	(I) \$20 MILLION; OR				
29	(II) 20% OF THE HEALTHCARE FACILITY'S TOTAL REVENUE; AND				
30	(2) BEGINNING JULY 1, 2004 AND ON OR BEFORE JULY 1 OF EACH				
31	SUBSEQUENT YEAR, SUBMIT A REPORT TO THE DEPARTMENT DOCUMENTING THE				
	COSTS SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION.				

28 the Secretary's designee;

30 <u>Secretary's designee</u>;

<u>(4)</u>

<u>(5)</u>

<u>(i)</u>

29

31

32

1	<del>19 2202.</del>				
	(A) HEALTHC/ PROGRAM	ARE FAC		4 SHALL PROVIDE A GRANT OF \$5 MILLION ANNUALLY TO A HAT MEETS THE ELIGIBILITY REQUIREMENTS OF THE	
		(B) A GRANT FROM THE PROGRAM MAY ONLY BE USED TO SUPPORT ONGOING ERATING EXPENSES ASSOCIATED WITH THE HEALTH CARE MISSION OF THE ALTHCARE FACILITY.			
-	-	(C) THE SECRETARY SHALL ADOPT REGULATIONS THAT SPECIFY THE NFORMATION THAT A HEALTHCARE FACILITY MUST SUBMIT TO RECEIVE A GRANT UNDER THE PROGRAM.			
11 12	<del>(D)</del> <del>DEPARTM</del>			OR SHALL PROVIDE SUFFICIENT FUNDS IN THE TO COVER THE COSTS OF THE PROGRAM.	
13 14	(a) Hospitals.	There is	s a Task I	Force to Study Physician Reimbursement at Maryland	
15	<u>(b)</u>	The Tas	sk Force o	consists of the following members:	
16 17	of the Senat	(1) e, includ		embers of the Senate of Maryland, appointed by the President nember from each of the following:	
18			<u>(i)</u>	the Budget and Taxation Committee;	
19 20	<u>and</u>		<u>(ii)</u>	the Education, Health, and Environmental Affairs Committee;	
21			<u>(iii)</u>	the Finance Committee;	
22 23	of the House	(2) e, includi		embers of the House of Delegates, appointed by the Speaker nember from each of the following:	
24			<u>(i)</u>	the Appropriations Committee;	
25			<u>(ii)</u>	the Health and Government Operations Committee; and	
26			<u>(iii)</u>	the Ways and Means Committee;	
27		<u>(3)</u>	the Secr	retary of the Department of Health and Mental Hygiene, or	

the Secretary of the Department of Budget and Management, or the

one representative of the Maryland Association of Counties;

four additional members appointed by the Governor, including:

## **HOUSE BILL 1313**

1		<u>(ii)</u>	one representative of the Maryland Hospital Association;		
2 3	Health Officers; and	(iii)	one representative of the Maryland Association of County		
4 5	Maryland.	<u>(iv)</u>	one representative of the Medical and Chirurgical Association of		
6 7	(c) The Governor shall appoint an additional member who shall be the hairman of the Task Force.				
			ntments to the Task Force, the Governor and the presiding Task Force is representative of the geographic regions of		
11	(e) The Ta	isk Force	shall study:		
14	services provided a	differenc academi	blems associated with physician reimbursement at Maryland es in the level of Medicaid reimbursement for physician c health centers versus the Medicaid reimbursement for t community hospitals;		
16 17	<u>(2)</u> physician expenses		dequacy of Medicaid payments to cover all nonphysician and		
18 19	physicians and the s		ds in declining volume of uncompensated care provided by t financial impact on health care institutions; and		
20 21	(4) subsequent financia		on health care institutions.		
22	(f) The Ta	isk Force	shall recommend:		
23 24	<u>(1)</u> and	one or i	more specific options for addressing the findings of its study;		
25	<u>(2)</u>	sources	of funds for each option recommended.		
		cordance	shall report on its findings and recommendations to the with § 2-1246 of the State Government Article, to the ore January 2, 2005.		
31 32	SECTION 3. 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2004. Section 2 of this This Act shall remain effective for a period of 5 years 1 year and, at the end of June 30, 2009 2005, with no further action required by 2 the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.				