

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 1105 (Delegates Morhaim and Hubbard)

Health and Government Operations

Finance

Hospitals - Certificate of Need and Rate-Setting - High Performance Buildings

This bill specifies that when the Maryland Health Care Commission (MHCC) adopts rules and regulations for issuing certificates of need (CONs), the regulations must provide consideration for hospital projects that incorporate the requirements for a “high performance building.” Further, the bill requires the Health Services Cost Review Commission (HSCRC) to take into account the costs of hospital projects for a high performance building when setting hospital rates.

Fiscal Summary

State Effect: The bill’s requirements could be handled with existing MHCC and HSCRC budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: MHCC must issue a CON before a health care facility may be built, developed, or established in the State. A CON is also required for any capital expenditures to add a new medical service to an existing facility. A CON is the primary method for implementing the State Health Plan and is generally required for capital expenditures, additions, or modifications to existing facilities or services, and new services. The basis for approval of a CON is need, as determined in the State Health Plan.

HSCRC sets hospital rates, which every payor, including Medicare, Medicaid, third-party payors, and patients, must pay the same rate for services provided.

A high performance building is a building that: (1) achieves at least a silver rating according to the U.S. Green Building Council's LEED (leadership in energy and environmental design) Green Building Rating System as adopted in 2001 or subsequently by the Maryland Green Building Council; (2) achieves at least a two globe rating according to the Green Globes Program as adopted by the Green Building Initiative; (3) achieves at least a comparable numeric rating according to a nationally recognized, accepted, and appropriate numeric sustainable development rating system, guideline, or standard; or (4) meets nationally recognized, consensus-based, and accepted green building guidelines, standards, or systems approved by the State.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (Medicaid, Maryland Health Care Commission), Department of Legislative Services

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