

HOUSE BILL 844

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71r3064
CF SB 719

By: **Chair, Health and Government Operations Committee**

Introduced and read first time: February 9, 2007

Assigned to: Health and Government Operations

Committee Report: Favorable

House action: Adopted

Read second time: March 7, 2007

CHAPTER _____

1 AN ACT concerning

2 **Health Services Cost Review Commission – Sunset Extension and Program**
3 **Evaluation**

4 FOR the purpose of requiring the Health Services Cost Review Commission to include
5 certain items in its annual report to the Governor and the General Assembly;
6 authorizing the Secretary of Health and Mental Hygiene to assess a certain
7 administrative charge; authorizing the Commission to use money from certain
8 user fees to pay certain administrative costs; increasing the total amount of
9 user fees that the Commission may assess; requiring the Board of the Maryland
10 Health Insurance Plan to submit a certain report on or before a certain date
11 each year; requiring that an evaluation under the Maryland Program
12 Evaluation Act of the State Health Services Cost Review Commission be
13 prepared on or before a certain date; requiring the Department of Health and
14 Mental Hygiene, in consultation with the Commission, to conduct a certain
15 assessment of Medicaid hospital day limits and report on its findings to certain
16 committees of the General Assembly on or before a certain date; requiring the
17 Commission, in consultation with the Maryland Hospital Association, to study
18 certain alternatives to the annual update factor as a restriction on the budget of
19 the Commission and report on its findings to certain committees of the General
20 Assembly on or before a certain date; requiring the Commission to submit
21 certain reports to certain committees of the General Assembly on or before

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 certain dates; requiring the Commission, the Maryland Health Care
2 Commission, and the Community Health Resources Commission to study
3 certain items and report on their findings to certain committees of the General
4 Assembly on or before a certain date; and generally relating to the Health
5 Services Cost Review Commission and hospital financing.

6 BY repealing and reenacting, with amendments,
7 Article – Health – General
8 Section 19–207(b)(6), 19–208(b), and 19–213(c)(1) and (3) and (d)(8)
9 Annotated Code of Maryland
10 (2005 Replacement Volume and 2006 Supplement)

11 BY repealing and reenacting, without amendments,
12 Article – Health – General
13 Section 19–213(d)(1)
14 Annotated Code of Maryland
15 (2005 Replacement Volume and 2006 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Insurance
18 Section 14–503(l)
19 Annotated Code of Maryland
20 (2006 Replacement Volume and 2006 Supplement)

21 BY repealing and reenacting, without amendments,
22 Article – State Government
23 Section 8–403(a)
24 Annotated Code of Maryland
25 (2004 Replacement Volume and 2006 Supplement)

26 BY repealing and reenacting, with amendments,
27 Article – State Government
28 Section 8–403(b)(28)
29 Annotated Code of Maryland
30 (2004 Replacement Volume and 2006 Supplement)

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

33 **Article – Health – General**

34 19–207.

1 (b) In addition to the duties set forth elsewhere in this subtitle, the
2 Commission shall:

3 (6) On or before October 1 of each year, submit to the Governor, to the
4 Secretary, and, subject to § 2-1246 of the State Government Article, to the General
5 Assembly an annual report on the operations and activities of the Commission during
6 the preceding fiscal year, including:

7 (i) A copy of each summary, compilation, and supplementary
8 report required by this subtitle; [and]

9 (ii) **AN UPDATE ON THE STATUS OF THE STATE'S MEDICARE**
10 **WAIVER;**

11 (iii) **BUDGET INFORMATION REGARDING THE HEALTH**
12 **SERVICES COST REVIEW COMMISSION FUND, INCLUDING:**

13 1. **ANY BALANCE REMAINING IN THE FUND AT THE**
14 **END OF THE PREVIOUS FISCAL YEAR; AND**

15 2. **THE PERCENTAGE OF THE TOTAL ANNUAL COSTS**
16 **OF THE COMMISSION THAT IS REPRESENTED BY THE BALANCE REMAINING IN**
17 **THE FUND AT THE END OF THE PREVIOUS FISCAL YEAR;**

18 (iv) **A SUMMARY OF THE COMMISSION'S ROLE IN HOSPITAL**
19 **QUALITY OF CARE ACTIVITIES, INCLUDING INFORMATION ABOUT THE STATUS**
20 **OF ANY PAY FOR PERFORMANCE INITIATIVES; AND**

21 [(ii)] (v) Any other fact, suggestion, or policy recommendation
22 that the Commission considers necessary;

23 19-208.

24 (b) (1) The power of the Secretary to transfer by rule, regulation, or
25 written directive, any staff, functions, or funds of units in the Department does not
26 apply to any staff, function, or funds of the Commission.

27 (2) **THE SECRETARY MAY ASSESS AN ADMINISTRATIVE CHARGE**
28 **ON THE COMMISSION TO FUND SERVICES PROVIDED TO THE COMMISSION BY**
29 **THE DEPARTMENT.**

1 **(IV) THE AMOUNT OF ANY SURPLUS IN THE FUND AT THE**
2 **END OF THE PREVIOUS FISCAL YEAR.**

3 **(2)** For those members enrolled in the Plan whose eligibility in the
4 Plan is subject to the requirements of the federal tax credit for health insurance costs
5 under Section 35 of the Internal Revenue Code, the Board shall report on or before
6 December 1, 2003, and annually thereafter, to the Governor, and subject to § 2–1246 of
7 the State Government Article, to the General Assembly on the number of members
8 enrolled in the Plan and the costs to the Plan associated with providing insurance to
9 those members.

10 **Article – State Government**

11 8–403.

12 (a) On or before December 15 of the 2nd year before the evaluation date of a
13 governmental activity or unit, the Legislative Policy Committee, based on a
14 preliminary evaluation, may waive as unnecessary the evaluation required under this
15 section.

16 (b) Except as otherwise provided in subsection (a) of this section, on or before
17 the evaluation date for the following governmental activities or units, an evaluation
18 shall be made of the following governmental activities or units and the statutes and
19 regulations that relate to the governmental activities or units:

20 (28) Health Services Cost Review Commission, State (§ 19–202 of the
21 Health – General Article: July 1, [2007] **2017**);

22 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of
23 Health and Mental Hygiene, in consultation with the Health Services Cost Review
24 Commission, shall:

25 (1) assess the impact of Medicaid day limits on Medicaid enrollees by
26 reviewing data on average length of stay, readmissions, and discharge patterns for
27 Medicaid hospital patients in the State between January 1, 2004, and June 30, 2007;
28 and

29 (2) report on the Department’s findings, on or before October 1, 2008,
30 to the Senate Finance Committee, and the House Health and Government Operations
31 Committee, in accordance with § 2–1246 of the State Government Article.

1 SECTION 3. AND BE IT FURTHER ENACTED, That the Health Services Cost
2 Review Commission, in consultation with the Maryland Hospital Association, shall:

3 (1) study alternatives to the annual update factor as restrictions on
4 increases in the Commission's budget that would:

5 (i) ensure that Commission user-fee increases are reasonable;
6 and

7 (ii) allow adequate budget growth for the Commission; and

8 (2) report on recommended alternatives, on or before November 1,
9 2007, to the Senate Finance Committee, and the House Health and Government
10 Operations Committee, in accordance with § 2-1246 of the State Government Article.

11 SECTION 4. AND BE IT FURTHER ENACTED, That the Health Services Cost
12 Review Commission shall report to the Senate Finance Committee, and the House
13 Health and Government Operations Committee, on or before November 1, 2007, in
14 accordance with § 2-1246 of the State Government Article, on the implementation of
15 the plan of the Commission to spend down the balance in the Commission Fund to ten
16 percent of total annual costs by the end of fiscal 2007.

17 SECTION 5. AND BE IT FURTHER ENACTED, That the Health Services Cost
18 Review Commission, the Maryland Health Care Commission, and the Community
19 Health Resources Commission shall:

20 (1) determine how to clarify the appropriate role for each commission
21 in assessing the underlying causes of uncompensated care and making
22 recommendations to the General Assembly on how to address uncompensated care;
23 and

24 (2) report on their determinations to the Senate Finance Committee
25 and the House Health and Government Operations Committee on or before December
26 1, 2007, in accordance with § 2-1246 of the State Government Article.

27 SECTION 6. AND BE IT FURTHER ENACTED, That the Health Services Cost
28 Review Commission shall report to the Senate Finance Committee and the House
29 Health and Government Operations Committee on or before October 1, 2008, in
30 accordance with § 2-1246 of the State Government Article, on the implementation of
31 the nonstatutory recommendations of the Department of Legislative Services
32 contained in the sunset evaluation report dated October 2006.

1 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2007.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.