

## **Chapter 193**

**(Senate Bill 151)**

AN ACT concerning

### **Hospitals – Outpatient Services – Off-Site Facility – Rate Regulation**

FOR the purpose of altering the hospital outpatient services for which the Maryland Medical Assistance Program must pay according to certain rates, under certain circumstances; altering the date by which a hospital must notify the Health Services Cost Review Commission that the hospital would like certain services to be subject to certain provisions of law; altering the hospital outpatient services for which a hospital may elect to be subject to certain provisions of law; requiring the University of Maryland Medical System to track utilization of certain services and submit certain reports to certain legislative committees; making certain clarifying and stylistic changes; making a certain technical change; making this Act an emergency measure; and generally relating to rates for hospital outpatient services at an off-site facility.

BY repealing and reenacting, with amendments,  
Article – Health – General  
Section 15–105(d)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,  
Chapter 670 of the Acts of the General Assembly of 1999  
Section 2

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

#### **Article – Health – General**

15–105.

(d) (1) The Department shall adopt regulations for the reimbursement of specialty outpatient treatment and diagnostic services rendered to Program recipients at a freestanding clinic owned and operated by a hospital that is under a capitation agreement approved by the Health Services Cost Review Commission.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, the reimbursement rate under paragraph (1) of this subsection shall be set according

to Medicare standards and principles for retrospective cost reimbursement as described in 42 C.F.R. Part 413 or on the basis of charges, whichever is less.

(ii) The reimbursement rate for [a] hospital [that has transferred] outpatient oncology, diagnostic, AND rehabilitative[, and digestive disease] services **THAT THE HOSPITAL TRANSFERRED** to an off-site facility prior to January 1, 1999, shall be set according to the rates approved by the Health Services Cost Review Commission if:

1. The transfer of services was due to zoning restrictions at the hospital campus;
2. The off-site facility is surveyed as part of the hospital for purposes of accreditation by the Joint Commission [on Accreditation of Healthcare Organizations]; and
3. The hospital notifies the Health Services Cost Review Commission in writing by [July 1, 1999] **JUNE 1, 2013**, that the hospital would like the services provided at the off-site facility **TO BE** subject to Title 19, Subtitle 2 of this article.

### **Chapter 670 of the Acts of 1999**

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any provision of § 19-201 of the Health – General Article, a hospital that has transferred outpatient oncology, diagnostic, AND rehabilitative[, and digestive disease] services to an off-site facility prior to January 1, 1999, may elect to have these outpatient services **BE** subject to Title 19, Subtitle 2 of the Health – General Article if:

- (a) the transfer was due to zoning restrictions at the hospital campus;
- (b) the off-site facility is surveyed as part of the hospital for purposes of accreditation by the Joint Commission [on the Accreditation of Healthcare Organizations]; and
- (c) the hospital notifies the Health Services Cost Review Commission in writing by [July 1, 1999] **JUNE 1, 2013**, that the hospital would like the services provided at the off-site facility **TO BE** subject to Title 19, Subtitle 2 of the Health – General Article.

SECTION 2. AND BE IT FURTHER ENACTED, That the University of Maryland Medical System:

- (a) shall track utilization, including payer mix, of outpatient digestive disease services provided at on-site and off-site facilities within the Shore Health

System before and after the sale or transfer of an off-site facility at which digestive disease services are provided; and

(b) on or before January 1, 2014, and on or before January 1, 2015, shall submit a report, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and House Health and Government Operations Committee on the changes in utilization, including payer mix, of outpatient digestive disease services provided at on-site and off-site facilities within the Shore Health System before and after the sale or transfer of the off-site facility.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

**Approved by the Governor, May 2, 2013.**