

HOUSE BILL 510

J3

2lr2389

By: **Delegate Pendergrass**

Introduced and read first time: January 21, 2022

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Care Facilities – Health Services Cost Review Commission – User Fee**
3 **Assessment**

4 FOR the purpose of altering the maximum amount of total user fees that may be assessed
5 on hospitals and related institutions by the Health Services Cost Review
6 Commission; and generally relating to fees assessed by the Health Services Cost
7 Review Commission.

8 BY repealing and reenacting, with amendments,
9 Article – Health – General
10 Section 19–213
11 Annotated Code of Maryland
12 (2019 Replacement Volume and 2021 Supplement)

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

15 **Article – Health – General**

16 19–213.

17 (a) (1) In this section the following words have the meanings indicated.

18 (2) “Facilities” means hospitals and related institutions whose rates have
19 been approved by the Commission.

20 (b) The Commission shall assess and collect user fees on facilities as defined in
21 this section.

22 (c) (1) The total fees assessed by the Commission may not exceed

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **[\$16,000,000] THE GREATER OF:**

2 **(I) 0.1% OF THE IMMEDIATELY PRECEDING FISCAL YEAR'S**
3 **BUDGETED, REGULATED, GROSS HOSPITAL REVENUE; OR**

4 **(II) THE LARGEST AMOUNT DETERMINED UNDER THIS**
5 **PARAGRAPH FOR A FISCAL YEAR DURING THE IMMEDIATELY PRECEDING 5 FISCAL**
6 **YEARS.**

7 (2) The total user fees assessed by the Commission may not exceed the
8 Special Fund appropriation for the Commission by more than 20%.

9 (3) The user fees assessed by the Commission shall be used exclusively to
10 cover the actual documented direct costs of fulfilling the statutory and regulatory duties of
11 the Commission in accordance with the provisions of this subtitle and any administrative
12 costs for services to the Commission provided by the Department.

13 (4) The Commission shall pay all funds collected from fees assessed in
14 accordance with this section into the Health Services Cost Review Commission Fund.

15 (5) The user fees assessed by the Commission may be expended only for
16 purposes authorized by the provisions of this subtitle.

17 (6) The amount specified in paragraph (1) of this subsection limits only the
18 total user fees the Commission may assess in a fiscal year.

19 (d) (1) There is a Health Services Cost Review Commission Fund.

20 (2) The Fund is a special continuing, nonlapsing fund that is not subject to
21 § 7-302 of the State Finance and Procurement Article.

22 (3) The Treasurer shall separately hold, and the Comptroller shall account
23 for, the Fund.

24 (4) The Fund shall be invested and reinvested in the same manner as other
25 State funds.

26 (5) Any investment earnings shall be retained to the credit of the Fund.

27 (6) The Fund shall be subject to an audit by the Office of Legislative Audits
28 as provided for in § 2-1220 of the State Government Article.

29 (7) This section may not be construed to prohibit the Fund from receiving
30 funds from any other source.

31 (8) The Fund shall be used only to provide funding for the Commission and

1 for the purposes authorized under this subtitle. The costs of the Commission include the
2 administrative costs incurred by the Department on behalf of the Commission.

3 (e) The Commission shall:

4 (1) Assess user fees for each facility equal to the sum of:

5 (i) The amount equal to one half of the total user fees times the ratio
6 of admissions of the facility to total admissions of all facilities; and

7 (ii) The amount equal to one half of the total user fees times the ratio
8 of gross operating revenue of each facility to total gross operating revenues of all facilities;

9 (2) Establish minimum and maximum assessments; and

10 (3) Assess each facility on or before June 30 of each year.

11 (f) On or before September 1 of each year, each facility assessed under this
12 section shall make payment to the Commission. The Commission shall make provision for
13 partial payments.

14 (g) Any bill not paid within 30 days of an agreed payment date may be subject to
15 an interest penalty to be determined by the Commission.

16 (h) (1) This section shall terminate and be of no effect on the first day of July
17 following the cessation of a waiver by law or agreement for Medicare and Medicaid between
18 the State of Maryland and the federal government.

19 (2) If notice of intent to terminate is made by the federal government to
20 this State prior to the first day of an intervening session of the Maryland General Assembly,
21 this section shall expire June 30 of the following calendar year. However, under no
22 circumstances shall less than seven calendar months occur between notice of termination
23 and expiration of this section.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2022.