

HOUSE BILL 1597

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6lr3617

By: **Delegate Hill**

Introduced and read first time: February 16, 2026

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Health – Unregulated Space in Hospital Operating Suites – Pilot Project**

3 FOR the purpose of establishing an unregulated space in hospital operating suites pilot
4 project; requiring the Health Services Cost Review Commission to administer the
5 pilot project; requiring the Commission to develop certain criteria and standards for
6 the pilot project; requiring certain ambulatory surgical centers and freestanding
7 surgical centers to provide the Commission with certain information; and generally
8 relating to the unregulated space in hospital operating suites pilot project.

9 BY adding to

10 Article – Health – General

11 Section 19–209

12 Annotated Code of Maryland

13 (2023 Replacement Volume and 2025 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

15 That the Laws of Maryland read as follows:

16 **Article – Health – General**

17 **19–209.**

18 **(A) THERE IS AN UNREGULATED SPACE IN HOSPITAL OPERATING SUITES**
19 **PILOT PROJECT.**

20 **(B) THE PILOT PROJECT SHALL BE ADMINISTERED BY THE COMMISSION.**

21 **(C) (1) THE COMMISSION IS AUTHORIZED TO ALLOW UP TO FIVE**
22 **HOSPITALS TO PARTICIPATE IN THE PILOT PROJECT.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) A HOSPITAL PARTICIPATING IN THE PILOT PROJECT MAY BE**
2 **SUBJECT TO AN ALTERNATE METHOD OF RATE DETERMINATION, INCLUDING AN**
3 **EXEMPTION FROM RATES THAT ALLOWS UNREGULATED OPERATING ROOM SPACE**
4 **TO BE PHYSICALLY LOCATED WITHIN A REGULATED FACILITY.**

5 **(3) A HOSPITAL PARTICIPATING IN THE PILOT PROJECT IS**
6 **AUTHORIZED TO MAKE AVAILABLE UNREGULATED OPERATING ROOM SPACE TO ALL**
7 **PATIENTS AND ALL PAYERS, WITH NO DUPLICATION OF SERVICES IN REGULATED**
8 **OPERATING ROOM SPACE.**

9 **(D) THE COMMISSION SHALL DEVELOP CRITERIA AND STANDARDS FOR**
10 **HOSPITALS PARTICIPATING IN THE PILOT PROJECT, INCLUDING THAT:**

11 **(1) A PARTICIPATING HOSPITAL SHALL OFFER CHARITY CARE**
12 **CONSISTENT WITH REGULATED HOSPITAL SERVICES;**

13 **(2) THE BILLED CHARGE FOR A SERVICE MAY NOT BE HIGHER THAN**
14 **THE PARTICIPATING HOSPITAL'S BILLED CHARGE FOR A SIMILAR SERVICE;**

15 **(3) THE COST TO THE MEDICAL ASSISTANCE PROGRAM AND**
16 **MEDICARE SHALL BE LOWER THAN A SIMILAR REGULATED HOSPITAL SERVICE; AND**

17 **(4) A PARTICIPATING HOSPITAL SHALL INCREASE CONSUMER**
18 **AWARENESS AND EDUCATION ABOUT REGULATED AND NONREGULATED SERVICES,**
19 **INCLUDING THE POTENTIAL FOR ADDITIONAL BILLED CHARGES FROM PHYSICIANS.**

20 **(E) (1) ON OR BEFORE DECEMBER 1 EACH YEAR, THE COMMISSION**
21 **SHALL REPORT, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT**
22 **ARTICLE, TO THE SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH**
23 **COMMITTEE ON:**

24 **(I) 1. THE TYPES OF PROCEDURES THAT HAVE OCCURRED**
25 **IN A PARTICIPATING HOSPITAL'S UNREGULATED OPERATING ROOM SPACE; AND**

26 **2. WHETHER THE OUTCOME OF THOSE PROCEDURES**
27 **INDICATES THAT THEY WERE APPROPRIATELY PERFORMED IN UNREGULATED**
28 **OPERATING ROOM SPACE;**

29 **(II) THE COSTS ASSOCIATED WITH A HOSPITAL'S**
30 **PARTICIPATION IN THE PILOT PROJECT; AND**

1 **(III) THE EFFECTS OF THE PILOT PROJECT ON THE STATE'S**
2 **ACHIEVING HEALTHCARE EFFICIENCY THROUGH ACCOUNTABLE DESIGN**
3 **(AHEAD) MODEL.**

4 **(2) EACH AMBULATORY SURGICAL CENTER ASSOCIATED WITH A**
5 **PARTICIPATING HOSPITAL AND FREESTANDING SURGICAL CENTER IN A**
6 **PARTICIPATING HOSPITAL'S AREA SHALL PROVIDE THE COMMISSION WITH**
7 **INFORMATION DETERMINED NECESSARY BY THE COMMISSION TO COMPLETE THE**
8 **REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2026. It shall remain effective for a period of 3 years and, at the end of June 30, 2029,
11 this Act, with no further action required by the General Assembly, shall be abrogated and
12 of no further force and effect.