

SENATE BILL 515

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~~EMERGENCY BILL~~

6lr2697
CF HB 616

By: **Senator Beidle**

Introduced and read first time: February 3, 2026

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2026

CHAPTER _____

1 AN ACT concerning

2 **Health Services Cost Review Commission – Health Facilities – ~~Jurisdiction and~~**
3 **Rate Setting**

4 FOR the purpose of ~~altering the jurisdiction of the Health Services Cost Review~~
5 ~~Commission; requiring~~ authorizing the Commission, in carrying out certain
6 responsibilities relating to evaluating facility resources to meet certain financial
7 requirements and reviewing costs and rates of hospital services, to take into account
8 all reasonable costs incurred or expenditures made by a health facility in connection
9 with the operation of the facility; and generally relating to health facility rate setting.

10 BY repealing and reenacting, without amendments,

11 Article – Health – General

12 Section 19–211(a) and 19–219(a)

13 Annotated Code of Maryland

14 (2023 Replacement Volume and 2025 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article – Health – General

17 Section ~~19–211(a)~~, 19–212, and 19–219(b)

18 Annotated Code of Maryland

19 (2023 Replacement Volume and 2025 Supplement)

20 ~~BY repealing and reenacting, without amendments,~~

21 ~~Article – Health – General~~

22 ~~Section 19–219(a)~~

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.



~~Annotated Code of Maryland
(2023 Replacement Volume and 2025 Supplement)~~

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

Article – Health – General

19–211.

(a) (1) Except for a facility that is operated or is listed and certified by the First Church of Christ Scientist, Boston, Massachusetts, the Commission has jurisdiction over ~~hospitals~~;

~~(I) HOSPITAL~~ services offered by or through all facilities; ~~AND~~

~~(II) COSTS FOR A FACILITY ASSOCIATED WITH EMPLOYING OR CONTRACTING WITH PHYSICIANS OR OTHER PROFESSIONAL PROVIDERS FOR WHICH THE FACILITY DOES NOT RECEIVE CORRESPONDING OFFSETTING PROFESSIONAL REVENUE.~~

(2) The jurisdiction of the Commission over any identified physician service shall terminate for a facility on the request of the facility.

(3) The rate approved for an identified physician service may not exceed the rate on June 30, 1985, adjusted by an appropriate index of inflation.

19–212.

The Commission shall:

(1) Require each facility to disclose publicly:

(i) Its financial position; and

(ii) As computed by methods that the Commission determines, the verified total costs incurred and revenue generated by the facility in providing health services;

(2) Review for reasonableness and certify the rates and revenue of each facility;

(3) Keep informed as to whether a facility has enough resources to meet its financial requirements **BY TAKING INTO ACCOUNT ALL REASONABLE COSTS INCURRED OR EXPENDITURES MADE BY THE FACILITY IN CONNECTION WITH THE OPERATION OF THE FACILITY, INCLUDING COSTS TO EMPLOY OR CONTRACT WITH PHYSICIANS**

1 **OR OTHER PROFESSIONAL PROVIDERS FOR WHICH THE FACILITY DOES NOT**
2 **RECEIVE CORRESPONDING OFFSETTING PROFESSIONAL REVENUE;**

3 (4) Concern itself with solutions if a facility does not have enough
4 resources;

5 (5) Assure each purchaser of health care facility services that:

6 (i) The total costs of all hospital services offered by or through a
7 facility are reasonable;

8 (ii) The aggregate rates of the facility are related reasonably to the
9 aggregate costs of the facility; and

10 (iii) Rates are set equitably among all purchasers of services without
11 undue discrimination;

12 (6) Develop guidelines for the establishment of global budgets for each
13 facility under Maryland's all-payer model contract, including guidelines to prevent
14 facilities from taking actions to meet a budget that the Commission determines would have
15 adverse consequences for recipients or purchasers of services;

16 (7) Receive confirmation from Commission staff that facility global budget
17 agreements, as they are developed, are consistent with the guidelines; and

18 (8) After review by the Commission for compliance with the guidelines,
19 post each executed global budget agreement on the Commission's website.

20 19–219.

21 (a) The Commission may review the costs, and rates, quality, and efficiency of
22 facility services, and make any investigation that the Commission considers necessary to
23 assure each purchaser of health care facility services that:

24 (1) The total costs of all hospital services offered by or through a facility
25 are reasonable;

26 (2) The aggregate rates of the facility are related reasonably to the
27 aggregate costs of the facility; and

28 (3) Except as provided in § 19–214.2(l) of this subtitle, the rates are set
29 equitably among all purchasers or classes of purchasers without undue discrimination or
30 preference.

31 (b) (1) To carry out its powers under subsection (a) of this section, the
32 Commission ~~may~~:

1 (I) ~~MAY review~~ **REVIEW** and approve or disapprove the
2 reasonableness of any rate or amount of revenue that a facility sets or requests; AND

3 (II) ~~SHALL TAKE~~ **TAKE** INTO ACCOUNT ALL **REASONABLE** COSTS
4 **INCURRED OR EXPENDITURES MADE BY THE FACILITY IN CONNECTION WITH THE**
5 **OPERATION OF THE FACILITY, INCLUDING COSTS TO EMPLOY OR CONTRACT WITH**
6 **PHYSICIANS OR OTHER PROFESSIONAL PROVIDERS FOR WHICH THE FACILITY DOES**
7 **NOT RECEIVE CORRESPONDING OFFSETTING PROFESSIONAL REVENUE.**

8 (2) A facility shall:

9 (i) Charge for services only at a rate set in accordance with this
10 subtitle; and

11 (ii) Comply with the applicable terms and conditions of the all-payer
12 model contract.

13 (3) Consistent with the all-payer model contract, in determining the
14 reasonableness of rates, the Commission may take into account objective standards of
15 efficiency and effectiveness.

16 SECTION 2. AND BE IT FURTHER ENACTED, That:

17 (a) On or before June 1, 2027, the Health Services Cost Review Commission, in
18 coordination with the Maryland Department of Health, the Maryland Insurance
19 Administration, and the Maryland Health Care Commission, shall report to the Senate
20 Finance Committee and the House Health Committee, in accordance with § 2-1257 of the
21 State Government Article, on the status of efforts to:

22 (1) collect and analyze data on costs incurred by hospitals to employ or
23 contract with physicians and other professional providers for which hospitals do not receive
24 corresponding offsetting professional revenue; and

25 (2) develop and implement a policy to address the costs identified under
26 item (1) of this subsection.

27 (b) If the Commission attempts to develop a policy under paragraph (a)(2) of this
28 section, the policy developed by the Commission shall seek to:

29 (1) ensure reasonable funding for physicians and other professional
30 provider services essential to the delivery of clinical care and the operations of a hospital;

31 (2) maintain access to providers in hospitals and nonhospital based
32 settings; and

1 (3) ensure the State's ability to meet its commitments under the Achieving
2 Health Efficiency through Accountable Design (AHEAD) model.

3 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 June 1, 2026. ~~is an emergency measure, is necessary for the immediate preservation of the~~
5 ~~public health or safety, has been passed by a yea and nay vote supported by three-fifths of~~
6 ~~all the members elected to each of the two Houses of the General Assembly, and shall take~~
7 ~~effect from the date it is enacted.~~

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.