

HOUSE BILL 616

J3

EMERGENCY BILL

6lr2885
CF 6lr2697

By: **Delegate Cullison**

Introduced and read first time: January 30, 2026

Assigned to: Health

A BILL ENTITLED

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 the Commission, in carrying out certain responsibilities
6 relating to evaluating facility resources to meet certain financial requirements and
7 reviewing costs and rates of hospital services, to take into account all costs incurred
8 or expenditures made by a health facility in connection with the operation of the
9 facility; and generally relating to health facility rate setting.

10 BY repealing and reenacting, with amendments,
11 Article – Health – General
12 Section 19–211(a), 19–212, and 19–219(b)
13 Annotated Code of Maryland
14 (2023 Replacement Volume and 2025 Supplement)

15 BY repealing and reenacting, without amendments,
16 Article – Health – General
17 Section 19–219(a)
18 Annotated Code of Maryland
19 (2023 Replacement Volume and 2025 Supplement)

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

22 **Article – Health – General**

23 19–211.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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 [hospital]:

(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 COSTS INCURRED OR EXPENDITURES MADE BY THE FACILITY IN CONNECTION WITH THE OPERATION OF THE FACILITY, INCLUDING COSTS TO EMPLOY OR CONTRACT WITH PHYSICIANS OR OTHER PROFESSIONAL PROVIDERS FOR WHICH THE FACILITY DOES NOT RECEIVE CORRESPONDING OFFSETTING PROFESSIONAL REVENUE;**

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

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

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

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

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

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

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

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

19–219.

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

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

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

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

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

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

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

(2) A facility shall:

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

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

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

SECTION 2. 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.