

Chapter 373

(House Bill 420)

AN ACT concerning

**Health Services Cost Review Commission – Hospital Rates – All-Payer Model
Contract**

FOR the purpose of requiring that the Health Services Cost Review Commission exercise its authority to consider certain standards when determining the reasonableness of certain rates in a manner that is consistent with the all-payer model contract; and generally relating to the Health Services Cost Review Commission.

BY repealing and reenacting, with amendments,
Article – Health – General
Section 19–219
Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)

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

Article – Health – General

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) 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 review and approve or disapprove the reasonableness of any rate or amount of revenue that a facility sets or requests.

(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) **[In] 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.

(c) Consistent with the all-payer model contract, and notwithstanding any other provision of this subtitle, the Commission may:

(1) Establish hospital rate levels and rate increases in the aggregate or on a hospital-specific basis;

(2) Promote and approve alternative methods of rate determination and payment of an experimental nature for the duration of the all-payer model contract; and

(3) On request of the Secretary, assist in the implementation of federally approved model programs.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2023.

Approved by the Governor, May 3, 2023.