

# SENATE BILL 151

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EMERGENCY BILL

3lr1177  
CF 3lr1065

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By: **Senator Colburn**

Introduced and read first time: January 17, 2013

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Hospitals – Outpatient Services – Off-Site Facility – Rate Regulation**

3 FOR the purpose of altering the hospital outpatient services for which the Maryland  
4 Medical Assistance Program must pay according to certain rates, under certain  
5 circumstances; altering the date by which a hospital must notify the Health  
6 Services Cost Review Commission that the hospital would like certain services  
7 to be subject to certain provisions of law; altering the hospital outpatient  
8 services for which a hospital may elect to be subject to certain provisions of law;  
9 requiring the University of Maryland Medical System to track utilization of  
10 certain services and submit certain reports to certain legislative committees;  
11 making certain clarifying and stylistic changes; making a certain technical  
12 change; making this Act an emergency measure; and generally relating to rates  
13 for hospital outpatient services at an off-site facility.

14 BY repealing and reenacting, with amendments,  
15 Article – Health – General  
16 Section 15–105(d)  
17 Annotated Code of Maryland  
18 (2009 Replacement Volume and 2012 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Chapter 670 of the Acts of the General Assembly of 1999  
21 Section 2

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

24 **Article – Health – General**

25 15–105.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (d) (1) The Department shall adopt regulations for the reimbursement of  
 2 specialty outpatient treatment and diagnostic services rendered to Program recipients  
 3 at a freestanding clinic owned and operated by a hospital that is under a capitation  
 4 agreement approved by the Health Services Cost Review Commission.

5 (2) (i) Except as provided in subparagraph (ii) of this paragraph,  
 6 the reimbursement rate under paragraph (1) of this subsection shall be set according  
 7 to Medicare standards and principles for retrospective cost reimbursement as  
 8 described in 42 C.F.R. Part 413 or on the basis of charges, whichever is less.

9 (ii) The reimbursement rate for [a] hospital [that has  
 10 transferred] outpatient oncology, diagnostic, AND rehabilitative[, and digestive  
 11 disease] services **THAT THE HOSPITAL TRANSFERRED** to an off-site facility prior to  
 12 January 1, 1999, shall be set according to the rates approved by the Health Services  
 13 Cost Review Commission if:

14 1. The transfer of services was due to zoning restrictions  
 15 at the hospital campus;

16 2. The off-site facility is surveyed as part of the hospital  
 17 for purposes of accreditation by the Joint Commission [on Accreditation of Healthcare  
 18 Organizations]; and

19 3. The hospital notifies the Health Services Cost Review  
 20 Commission in writing by [July 1, 1999] **JUNE 1, 2013**, that the hospital would like  
 21 the services provided at the off-site facility **TO BE** subject to Title 19, Subtitle 2 of this  
 22 article.

### 23 Chapter 670 of the Acts of 1999

24 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any  
 25 provision of § 19–201 of the Health – General Article, a hospital that has transferred  
 26 outpatient oncology, diagnostic, AND rehabilitative[, and digestive disease] services to  
 27 an off-site facility prior to January 1, 1999, may elect to have these outpatient  
 28 services **BE** subject to Title 19, Subtitle 2 of the Health – General Article if:

29 (a) the transfer was due to zoning restrictions at the hospital campus;

30 (b) the off-site facility is surveyed as part of the hospital for purposes of  
 31 accreditation by the Joint Commission [on the Accreditation of Healthcare  
 32 Organizations]; and

33 (c) the hospital notifies the Health Services Cost Review Commission in  
 34 writing by [July 1, 1999] **JUNE 1, 2013**, that the hospital would like the services

1 provided at the off-site facility **TO BE** subject to Title 19, Subtitle 2 of the Health –  
2 General Article.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the University of  
4 Maryland Medical System:

5 (a) shall track utilization, including payer mix, of outpatient digestive  
6 disease services provided at on-site and off-site facilities within the Shore Health  
7 System before and after the sale or transfer of an off-site facility at which digestive  
8 disease services are provided; and

9 (b) on or before January 1, 2014, and on or before January 1, 2015, shall  
10 submit a report, in accordance with § 2-1246 of the State Government Article, to the  
11 Senate Finance Committee and House Health and Government Operations Committee  
12 on the changes in utilization, including payer mix, of outpatient digestive disease  
13 services provided at on-site and off-site facilities within the Shore Health System  
14 before and after the sale or transfer of the off-site facility.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency  
16 measure, is necessary for the immediate preservation of the public health or safety,  
17 has been passed by a yea and nay vote supported by three-fifths of all the members  
18 elected to each of the two Houses of the General Assembly, and shall take effect from  
19 the date it is enacted.