

SENATE BILL 494

J3

9lr2421
CF 9lr2710

By: **Senator Brochin**

Introduced and read first time: February 4, 2009

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Services Cost Review Commission – Limit on Interest or Late**
3 **Payment Fees**

4 FOR the purpose of requiring the Health Services Cost Review Commission to prohibit
5 a facility from charging a patient interest or late payment fees at a rate that
6 exceeds a certain percentage.

7 BY repealing and reenacting, with amendments,
8 Article – Health – General
9 Section 19–219
10 Annotated Code of Maryland
11 (2005 Replacement Volume and 2008 Supplement)

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

14 **Article – Health – General**

15 19–219.

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) The rates are set equitably among all purchasers or classes of
2 purchasers without undue discrimination or preference.

3 (b) (1) To carry out its powers under subsection (a) of this section, the
4 Commission may review and approve or disapprove the reasonableness of any rate
5 that a facility sets or requests.

6 (2) A facility shall charge for services only at a rate set in accordance
7 with this subtitle.

8 (3) In determining the reasonableness of rates, the Commission may
9 take into account objective standards of efficiency and effectiveness.

10 (c) To promote the most efficient and effective use of health care facility
11 services and, if it is in the public interest and consistent with this subtitle, the
12 Commission may promote and approve alternate methods of rate determination and
13 payment that are of an experimental nature.

14 **(D) THE COMMISSION SHALL PROHIBIT A FACILITY FROM CHARGING A**
15 **PATIENT INTEREST OR LATE PAYMENT FEES AT A RATE EXCEEDING 5% PER**
16 **YEAR.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2009.