

services offered by the INSTITUTION, THAT THE institution's aggregate rates are reasonably related to the institution's aggregate costs; and that rates are set equitably among all purchasers OR CLASSES OF PURCHASERS of services without undue discrimination. OR PREFERENCE.

*In order to properly discharge these obligations, the Commission shall have full power to review and approve the reasonableness of rates established or requested by any institution subject to the provisions of this subtitle. No institution shall charge for services at a rate other than those established in accordance with the procedures established hereunder.*

IN THE INTEREST OF PROMOTING THE MOST EFFICIENT AND EFFECTIVE USE OF HEALTH CARE INSTITUTIONAL SERVICE, THE COMMISSION MAY PROMOTE AND APPROVE ALTERNATIVE METHODS OF RATE DETERMINATION AND PAYMENT OF AN EXPERIMENTAL NATURE THAT MAY BE IN THE PUBLIC INTEREST AND CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.

568V.

*To properly carry out its authority under Section 568V, the Commission shall:*

(1) *Immediately upon the effective date of this subtitle begin to compile all relevant financial and accounting data in order to have available the statistical information necessary to properly conduct rate review and approval. SUCH DATA SHALL INCLUDE NECESSARY OPERATING EXPENSES, APPROPRIATE EXPENSES INCURRED FOR RENDERING SERVICES TO PATIENTS WHO CANNOT OR DO NOT PAY, ALL PROPERLY INCURRED INTEREST CHARGES, AND REASONABLE DEPRECIATION EXPENSES BASED ON THE EXPECTED USEFUL LIFE OF THE PROPERTY AND EQUIPMENT INVOLVED. The Commission shall define and prescribe by rule the types and classes of charges which cannot be changed except as provided by the following procedure and it shall also obtain from each such institution a current rate schedule as well as any subsequent amendments or modifications of that schedule as it may require.*

(2) (A) *Permit any NONPROFIT institution subject to the provisions of this subtitle to charge reasonable rates which will permit the institution to render effective and efficient service in the public interest and, at the same time, operate on a solvent basis. In determining the reasonableness of rates, the rates should be sufficient to provide for all reasonable and necessary operating expenses, including appropriate expenses incurred for rendering services to patients who cannot or do not pay, all properly incurred interest charges, reasonable depreciation expenses based on the expected useful life of the property and equipment involved, a reasonable level of cash working capital in the case of non-profit making institutions, and in the case of proprietary, profit-making institutions, and allowance for a fair return to stockholders based upon actual investment of the fair value of the investment, whichever is less.*

(B) PERMIT ANY PROPRIETARY PROFIT-MAKING INSTITUTION SUBJECT TO THE PROVISIONS OF THIS SUBTITLE TO CHARGE REASONABLE RATES WHICH WILL PERMIT