

the time period within which hospitals and related institutions under the jurisdiction of the Health Services Cost Review Commission shall have the power to set rates; and relating generally to the rates for health care services established by hospitals and related institutions.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 568H 568U and 568W of Article 43 of the Annotated Code of Maryland (1971 Replacement Volume and 1972 Supplement), title "Health," subtitle "Health Services Cost Review Commission," be and they are hereby repealed and re-enacted, with amendments, all to read as follows:

568H.

In creating the Health Services Cost Review Commission, the intent of the Maryland General Assembly shall be as follows:

a. The purpose of this subtitle is to create a commission which will beginning July 1, 1971, cause the public disclosure of [1] the financial position of all hospitals and related institutions and [2] the verified total costs actually incurred by each such institution in rendering health services, computed by methods the Commission prescribes; and which after the expiration of three OR FOUR additional years, AS HEREINAFTER SET FORTH, will also review and certify as to the reasonableness of the rates established by these institutions. It will also be the Commission's responsibility to keep itself informed as to whether the financial resources of each institution are sufficient to meet its financial requirements and to concern itself with solutions when resources are inadequate.

b. FROM AND [A] after July 1, 1974, an additional responsibility of this Commission is to assure all purchasers of health care [institutional] HOSPITAL services that the total costs of the [institution] HOSPITAL are reasonably related to the total services offered by the [institution] HOSPITAL; that the [institution's] HOSPITAL'S aggregate rates are set in reasonable relationship to the [institution's] HOSPITAL'S aggregate costs; and that rates are set equitably among all purchasers of services without undue discrimination.

c. THE PROVISIONS OF SUBSECTION B. OF THIS SECTION SHALL APPLY TO RELATED INSTITUTIONS, AS THAT TERM IS DEFINED IN SECTION 556 [D] OF THIS ARTICLE, FROM AND AFTER JULY 1, 1975.

568U.

(A) From and after July 1, [1975] 1974, the Commission shall have the power to initiate such reviews or investigations as may be necessary to assure all purchasers of health care [institutional] HOSPITAL services that the total costs of the [institution] HOSPITAL are reasonably related to the total services offered by the [institution] HOSPITAL, that the [institution's] HOSPITAL'S aggregate rates are reasonably related to the [institution's] HOSPITAL'S aggregate costs; and that rates are set equitably among all purchasers or classes of purchasers of services without undue discrimination or preference.

(B) 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] HOSPITAL subject to the provisions of this subtitle. No [institution] HOSPITAL shall charge for services at a rate other than those established in accordance with the procedures established hereunder.

(C) In the interest of promoting the most efficient and effective use of health care [institutional] HOSPITAL service, the Commission may promote and approve alternative methods of rate determination and payment of an experimental