

(2) make recommendations by January 1, 1996 December 1, 1995, to the Senate Finance Committee, the House Economic Matters Committee, and the House Environmental Matters Committee, regarding the financing of uncompensated care.

SECTION 10: 12. AND BE IT FURTHER ENACTED, That the Department of Fiscal Services, in consultation with the Health Services Cost Review Commission, shall assess the current method for financing graduate medical education in hospital rates and make recommendations by January 1, 1996, December 1, 1995 to the Senate Finance Committee, the House Economic Matters Committee, and the House Environmental Matters Committee, regarding a plan to distribute equitably the reasonable costs of graduate medical education and assure the integrity of the payment system.

In developing the recommendations and plan, the Department of Fiscal Services and, in consultation with the Commission, shall consider the appropriate allocation of graduate medical education funds to finance the training of physicians in both hospital and nonhospital settings, consider the appropriate mix and overall aggregate supply of health care professionals, and consider the marketplace advantages associated with having a graduate medical education program, including the recruitment of out-of-State residents. Any plan developed shall assure that the methods used to finance the total reasonable costs of graduate medical education meet the following standards: (1) are in the public interest; (2) will equitably distribute the reasonable costs of graduate medical education; (3) will fairly determine the reasonable costs of graduate medical education; (4) will fairly determine the assessment for the costs of graduate medical education; and (5) will not result in significantly increasing costs to Medicare or in the loss of Maryland's Medicare waiver under § 1814(b) of the Social Security Act.

Upon approval of the plan by the Senate Finance Committee, the House Economic Matters Committee, and the House Environmental Matters Committee, the Commission may adopt regulations establishing alternative methods for financing the reasonable total costs of graduate medical education. Regulations to implement the recommendations and plan for financing the costs of graduate medical education shall be proposed by the Health Services Cost Review Committee 60 days after the review of the recommendations and plan under this Section.

Any The plan shall also provide that any funds generated under an alternative method adopted by the Commission under this section may be used only to finance graduate medical education.

SECTION 13. AND BE IT FURTHER ENACTED, That:

(a) The General Assembly finds that:

(1) Maryland's all-payor hospital rate regulatory system remains the foundation for incremental health care reform in this State;

(2) A comprehensive, strategic plan for the health care delivery system in this State is required to determine the effectiveness of the current regulatory system, determine what measures need to be taken to ensure the equitable provision of quality health care in the future, and ensure that the high level of quality health care currently provided in this State will continue to benefit all citizens of the State;