

financing hospital uncompensated care; requiring the Commission to report to the General Assembly on the findings of a certain study by a certain date; authorizing the Commission to adopt an alternative methodology for financing hospital uncompensated care; requiring any alternative methodology to meet certain criteria; and generally relating to the Health Services Cost Review Commission methodology for financing hospital uncompensated care.

BY adding to

Article - Health - General

Section 19-207.3

Annotated Code of Maryland

(1990 Replacement Volume and 1991 Supplement)

Preamble

WHEREAS, In addition to containing costs, Maryland's all-payor hospital rate regulatory system has enabled all citizens of this State to access needed hospital care through its unique method for financing uncompensated care; and

WHEREAS, This system is an essential part of the State's health care delivery system; and

WHEREAS, The elimination of State-only Medicaid hospital coverage has increased hospital uncompensated care by more than \$100 million and in turn through the rate regulatory system will ultimately increase rates for all third party payors; and

WHEREAS, The all-payor system will finance more than \$350 million in hospital care in 1992 for Marylanders who are uninsured or otherwise unable to pay for their care; and

WHEREAS, Uncompensated care included in hospitals' rates has grown from an average 5.1% of hospitals' gross revenues in 1981 to 9.1% of gross revenues in 1992; and

WHEREAS, The increased uncompensated care has fallen disproportionately on a relatively small number of institutions and has resulted in the inequitable distribution of uncompensated care among hospitals; and

WHEREAS, The increase in uncompensated care has serious implications for the long term financial stability of hospitals and the retention of the Medicare waiver; and

WHEREAS, The Health Services Cost Review Commission should examine the impact of uncompensated care on the all-payor system and consider potential alternative methods of financing uncompensated care which help to address these inequities; now, therefore,

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