

STATE OF MARYLAND

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User Fee Assessment on Payers, Hospitals and Nursing Homes

COMAR 10.25.03

Proposed Permanent Regulation

*Written Public Comments
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Title 10 DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Subtitle 25 MARYLAND HEALTH CARE COMMISSION

Chapter 03 User Fee Assessment on Payers, Hospitals, and Nursing Homes

Authority: Health-General Article, §19-111, Annotated Code of Maryland

.01 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

- (1) "Assessment" means the total dollar amount that the Commission bills payers, hospitals, and nursing homes for a given fiscal year.
- (2) "Commission" means the Maryland Health Care Commission.
- (3) "Health benefit plan" has the meaning stated in Insurance Article, §15-201, Annotated Code of Maryland.
- (4) "Hospital" has the meaning stated in Health-General Article, §19-301, Annotated Code of Maryland.
- (5) "Nursing home" means a related institution, as defined in Health-General Article, §19-301, Annotated Code of Maryland, that is classified as a nursing home.
- (6) "Payer" means a:
 - (a) Health insurer;
 - (b) Nonprofit health service plan that holds a certificate of authority and provides health insurance policies or contracts in the State; or
 - (c) Health maintenance organization that holds a certificate of authority in this State.
- (7) "User fee" means that portion of the assessment that each payer remits to the Administration pursuant to the formula established in Health-General Article, §19-111, Annotated Code of Maryland.

.02 Method of User Fee Assessment.

A. On or before June 30 of each year, the Commission shall assess each payer, hospital, and nursing home a fee in accordance with §B of this regulation.

B. Assessment of Fees.

- (1) For each fiscal year, the Commission shall assess a fee on payers, hospitals, and nursing homes.
 - (2) Fees shall be assessed on each payer by apportioning the total amount of fees to be assessed payers based on the ratio of each payer's total premiums collected in the State for health benefit plans to the total collected premiums of all payers collected in the State. The apportionment shall be based on premium information reported by the Insurance Commissioner.
 - (3) A fee shall be assessed on each hospital that is equal to the sum of:
 - (a) The amount equal to one-half of the total fees to be assessed on hospitals under §C of this regulation times the ratio of admissions of the hospital to total admissions of all hospitals; and
 - (b) The amount equal to one-half of the total fees to be assessed on hospitals under §C of this regulation times the ratio of gross operating revenue of each hospital to total gross operating revenues of all hospitals.
 - (4) A fee shall be assessed on each nursing home that is equal to the sum of:
 - (a) The amount equal to one-half of the total fees to be assessed on nursing homes under §C of this regulation times the ratio of admissions of the nursing home to total admissions of all nursing homes; and
 - (b) The amount equal to one-half of the total fees to be assessed on nursing homes under §C of this regulation times the ratio of gross operating revenue of each nursing home to total gross operating revenues of all nursing homes.
- C. For July 1, [2013] 2017 —June 30, [2017,] 2021, the amount assessed on payers may not exceed [28] 26 percent of the total amount assessed by the Commission. The amount assessed on hospitals may not exceed [33] 39 percent of the total amount assessed. The amount assessed on nursing homes may not exceed [17] 19 percent of the total amount assessed.

.03 Payment of User Fees.

A. On or before September 1, each payer assessed a user fee in accordance with the provisions of Health-General Article, §19-111, Annotated Code of Maryland, and this chapter shall make payment in the manner directed by the Commission.

B. The Commission may make provisions upon the request of a payer for installment payments of the user fee, as the Commission considers necessary and appropriate.

C. Any bill not paid within 30 days of the payment due date may be subject to an interest penalty to be determined and collected by the Commission.

D. In addition to any penalties the Commission may impose on a payer, hospital, or nursing home that fails to pay the user fee in a timely manner, the Commission may refer the payer's delinquent account to the Department of Budget and Management's Central Collection Unit pursuant to the procedures in State Finance and Procurement Article, §3-301 et seq., Annotated Code of Maryland, and COMAR 17.01.01.