

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1121 (Delegate Pena-Melnyk, *et al.*)
Health and Government Operations

Health Care Facilities - Closures or Partial Closures of Hospitals - County Board
of Health Approval

This emergency bill prohibits a person from closing or partially closing a hospital that receives State and county funding unless (1) the person notifies the county board of health in which the hospital is located at least 90 days prior to the proposed date of closure or partial closure and (2) the county board of health approves the closure or partial closure. The bill specifies that these requirements are in addition to any existing requirements for the closure or partial closure of a hospital.

Fiscal Summary

State Effect: Since it is assumed that the closure or partial closure of hospitals is infrequent, State finances are not materially affected.

Local Effect: Since it is assumed that the closure or partial closure of hospitals is infrequent, local finances are not materially affected; however, there is a minimal operational impact on county boards of health.

Small Business Effect: None.

Analysis

Bill Summary: In deciding whether to approve the closure or partial closure of a hospital, the board of health must (1) hold a public hearing at a location within five miles of the hospital within 30 days of receiving notice of the proposed closure or partial closure; (2) consider the oral and written testimony submitted to the board of health; and

(3) consider whether the sale or other transfer of the hospital to another person is a viable alternative.

Within 30 days of the public hearing, the board of health must provide written notice of its decision to the person proposing to close or partially close the hospital and to the Maryland Health Care Commission (MHCC). Failure of the board of health to hold a hearing or provide written notice may not be deemed an approval of the proposed closure or partial closure of a hospital.

Current Law: A certificate of need is not required to close any health care facility or part of a health care facility in the State if notice of the proposed closure is filed with MHCC at least 45 days prior to closure or partial closure. A hospital located in a county with fewer than three hospitals must also hold a public informational hearing in the county where the hospital is located within 30 days after submitting notice of intent to close or partially close.

Background: According to MHCC, to the extent “partial closure” includes closure of an acute care service line or delicensure of beds, there have been only seven partial closures in Maryland since 2000 and no closures, as shown in **Exhibit 1**.

Exhibit 1
**Closure of Acute Care Service Lines or Bed Delicensure at Maryland Hospitals
2000-2015**

<u>Hospital</u>	<u>Service Closed</u>	<u>Date</u>
Union Memorial Hospital	Obstetric service	March 14, 2003
Mercy Medical Center	Psychiatric service	January 25, 2005
Laurel Regional Hospital	Adolescent psychiatric	February 25, 2005
Chester River Hospital Center	Obstetric service	April 1, 2012
Maryland General Hospital	Obstetric service	May 1, 2013
Peninsula Regional Medical Center	NICU Level IIA	August 28, 2014
Laurel Regional Hospital	Delicensure of 16 beds	September 15, 2015

NICU: Neonatal Intensive Care Unit

Source: Maryland Health Care Commission

Additional Information

Prior Introductions: None.

Cross File: SB 12 (Senators Rosapepe and Hershey) - Finance.

Information Source(s): Maryland Association of County Health Officers, Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2016
md/ljm

Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510