

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 967 (Delegate Miller, *et al.*)
Health and Government Operations

Task Force to Study Privatization of the University of Maryland Medical System

This bill establishes the Task Force to Study the Privatization of the University of Maryland Medical System (UMMS). The task force must (1) study specified effects of privatization, the market value of UMMS, and comparable precedents; (2) consult with experts and fiscal and budget analysts; (3) gather relevant testimony; (4) identify provisions of law that would need to be amended or repealed; (5) develop guidelines for the privatization; and (6) make recommendations regarding the implementation of a privatization plan. The task force must submit an interim report of its findings and recommendations by December 1, 2021, and a final report by July 1, 2022. The State agencies represented on the task force must jointly staff it. Members may not receive compensation but are entitled to reimbursement for expenses under standard State travel regulations. **The bill takes effect July 1, 2020, and terminates September 30, 2022.**

Fiscal Summary

State Effect: Staffing for the task force can be provided using existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force comprises one member of the Senate; one member of the House of Delegates; the Treasurer; the Secretary of Health; several members from UMMS and the University of Maryland; the Baltimore City Health Commissioner; the executive

directors of the Health Services Cost Review Commission and the Maryland Health Care Commission; the Director of the Office of Minority Health and Health Disparities; and additional members with specified qualifications appointed by the Governor. The Governor must designate the task force chair from among the members.

Current Law/Background: UMMS is a university-based regional health care system that provides medical care in a clinical context for educational and research purposes. UMMS partners with the University of Maryland schools of Medicine, Nursing, Pharmacy, Social Work, and Dentistry. Approximately 4,000 affiliated physicians provide primary and specialty care in more than 150 UMMS locations across 13 counties, including the R Adams Cowley Shock Trauma Center in Baltimore City.

The University of Maryland Medical System Corporation (UMMSC) is organized for charitable, scientific, and educational purposes. Statute establishes that UMMSC is not a State agency, political subdivision, public body, public corporation, or municipal corporation and is not subject to any provisions of law affecting only governmental or public entities. As of the date of transfer from State control (in 1984), UMMSC owns, leases, manages, and operates UMMS, including any components or health services determined by the board.

Chapter 10 of 2019 altered the composition of, and the appointment process for, members of the Board of Directors of UMMSC, including reconstituting the board. Among other things, the Act required the board to (1) adopt specified policies with respect to conflicts of interest and contracts with and payments to members of the board and members of boards of directors of affiliated hospitals; (2) meet specified reporting requirements; and (3) ensure that UMMSC continues to be a private, nonprofit, nonstock corporation that is independent from any State agency.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Baltimore City; Comptroller's Office; Maryland State Treasurer's Office; University of Maryland Medical System; University System of Maryland; Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2020
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