

SENATE BILL 707

J3

(6lr1518)

ENROLLED BILL

— Finance/Health and Government Operations —

Introduced by ~~Senator Middleton~~ Senators Middleton, Hershey, and Mathias

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Freestanding Medical Facilities – Certificate of Need, Rates, and Definition**

3 FOR the purpose of exempting from certain certificate of need requirements the conversion
4 of a certain hospital to a freestanding medical facility in accordance with certain
5 requirements; altering the number of days before the proposed closing or partial
6 closing of a health care facility for the filing of a certain notice by a certain person;
7 altering the requirements for a public informational hearing for a hospital that files
8 a notice of its proposed closing; requiring a certain hospital to hold a public
9 informational hearing if the hospital requests an exemption from certificate of need
10 requirements to convert to a freestanding medical facility; requiring the Maryland
11 Health Care Commission to establish by regulation requirements for certain public
12 informational hearings; requiring, for a hospital seeking to close, partially close, or
13 convert to a freestanding medical facility, that the regulations require the hospital
14 to address certain items at a public informational hearing; requiring a hospital to
15 provide a written summary of a public informational hearing within a certain period

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 of time to certain individuals, entities, and legislative committees; clarifying the
 2 circumstances in which a certificate of need is required to establish or operate a
 3 freestanding medical facility; authorizing the Commission to approve a site for a
 4 freestanding medical facility that is not on a certain site, under certain
 5 circumstances; prohibiting a certain hospital from converting to a freestanding
 6 medical facility before a certain date; altering the services provided at a freestanding
 7 medical facility that may be considered hospital services for purposes of rate-setting;
 8 requiring a freestanding medical facility to have a certain license, instead of a
 9 certificate of need, to obtain certain rates; altering the definition of “freestanding
 10 medical facility” to require a facility to meet the requirements for provider-based
 11 status under a certain certification and to exempt, from the requirement that the
 12 facility be physically separate from a hospital or hospital grounds, a freestanding
 13 medical facility established as a result of a certain hospital conversion; requiring the
 14 Department of Health and Mental Hygiene to issue a license to a freestanding
 15 medical facility that receives an exemption from obtaining a certificate of need;
 16 establishing a workgroup on rural health care delivery; providing for the
 17 membership, chair, and staff of the workgroup; requiring the workgroup to oversee
 18 a certain study of health care needs in certain counties and to hold certain public
 19 hearings; providing for the contents of a certain study; requiring the workgroup to
 20 review certain policy options and to report on a certain study and certain
 21 recommendations on or before a certain date; stating the intent of the General
 22 Assembly; providing for the construction of a certain provision of this Act; authorizing
 23 the use of certain funds for a certain purpose; and generally relating to freestanding
 24 medical facilities.

25 BY repealing and reenacting, without amendments,

26 Article – Health – General
 27 Section 19–120(j)(1) and (k)(1)
 28 Annotated Code of Maryland
 29 (2015 Replacement Volume)

30 BY repealing and reenacting, with amendments,

31 Article – Health – General
 32 Section 19–120(j)(2)(iv), (k)(6)(viii) and (ix) and (7), and (l), 19–201(d), 19–211(c),
 33 19–3A–01, 19–3A–03, and 19–3A–08
 34 Annotated Code of Maryland
 35 (2015 Replacement Volume)

36 BY adding to

37 Article – Health – General
 38 Section 19–120(k)(6)(x) and (o)
 39 Annotated Code of Maryland
 40 (2015 Replacement Volume)

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

1 3. Within 45 days of receiving notice under item 1 of this
2 item, the Commission notifies the health care facility of its finding.

3 (k) (1) A certificate of need is required before any of the following capital
4 expenditures are made by or on behalf of a hospital:

5 (i) Any expenditure that, under generally accepted accounting
6 principles, is not properly chargeable as an operating or maintenance expense, if:

7 1. The expenditure is made as part of an acquisition,
8 improvement, or expansion, and, after adjustment for inflation as provided in the
9 regulations of the Commission, the total expenditure, including the cost of each study,
10 survey, design, plan, working drawing, specification, and other essential activity, is more
11 than \$10,000,000;

12 2. The expenditure is made as part of a replacement of any
13 plant and equipment of the hospital and is more than \$10,000,000 after adjustment for
14 inflation as provided in the regulations of the Commission;

15 3. The expenditure results in a substantial change in the bed
16 capacity of the hospital; or

17 4. The expenditure results in the establishment of a new
18 medical service in a hospital that would require a certificate of need under subsection (i) of
19 this section; or

20 (ii) Any expenditure that is made to lease or, by comparable
21 arrangement, obtain any plant or equipment for the hospital, if:

22 1. The expenditure is made as part of an acquisition,
23 improvement, or expansion, and, after adjustment for inflation as provided in the rules and
24 regulations of the Commission, the total expenditure, including the cost of each study,
25 survey, design, plan, working drawing, specification, and other essential activity, is more
26 than \$10,000,000;

27 2. The expenditure is made as part of a replacement of any
28 plant and equipment and is more than \$10,000,000 after adjustment for inflation as
29 provided in the regulations of the Commission;

30 3. The expenditure results in a substantial change in the bed
31 capacity of the hospital; or

32 4. The expenditure results in the establishment of a new
33 medical service in a hospital that would require a certificate of need under subsection (i) of
34 this section.

35 (6) This subsection does not apply to:

1 (viii) A capital expenditure by a hospital, as defined in § 19–301 of this
2 title, for a project in excess of \$10,000,000 for construction or renovation that:

3 1. May be related to patient care;

4 2. Does not require, over the entire period or schedule of debt
5 service associated with the project, a total cumulative increase in patient charges or
6 hospital rates of more than \$1,500,000 for the capital costs associated with the project as
7 determined by the Commission, after consultation with the Health Services Cost Review
8 Commission;

9 3. At least 45 days before the proposed expenditure is made,
10 the hospital notifies the Commission;

11 4. A. Within 45 days of receipt of the relevant financial
12 information, the Commission makes the financial determination required under item 2 of
13 this item; or

14 B. The Commission has not made the financial
15 determination required under item 2 of this item within 60 days of the receipt of the
16 relevant financial information; and

17 5. The relevant financial information to be submitted by the
18 hospital is defined in regulations adopted by the Commission, after consultation with the
19 Health Services Cost Review Commission; **[or]**

20 (ix) A plant donated to a hospital, as defined in § 19–301 of this title,
21 that does not require a cumulative increase in patient charges or hospital rates of more
22 than \$1,500,000 for capital costs associated with the donated plant as determined by the
23 Commission, after consultation with the Health Services Cost Review Commission, if:

24 1. At least 45 days before the proposed donation is made, the
25 hospital notifies the Commission;

26 2. A. Within 45 days of receipt of the relevant financial
27 information, the Commission makes the financial determination required under this item
28 (ix) of this paragraph; or

29 B. The Commission has not made the financial
30 determination required under this item (ix) of this paragraph within 60 days of the receipt
31 of the relevant financial information; and

32 3. The relevant financial information to be submitted by the
33 hospital is defined in regulations adopted by the Commission after consultation with the
34 Health Services Cost Review Commission; **OR**

1 **(X) A CAPITAL EXPENDITURE MADE AS PART OF A CONVERSION**
 2 **OF A LICENSED GENERAL HOSPITAL TO A FREESTANDING MEDICAL FACILITY IN**
 3 **ACCORDANCE WITH SUBSECTION (O)(3) OF THIS SECTION.**

4 (7) Paragraph (6)(vi), (vii), (viii), [and] (ix), **AND (X)** of this subsection may
 5 not be construed to permit a facility to offer a new health care service for which a certificate
 6 of need is otherwise required.

7 (1) (1) A certificate of need is not required to close any health care facility or
 8 part of a health care facility if at least ~~45~~ **90** days before the closing or **IF AT LEAST 45**
 9 **DAYS BEFORE THE** partial closing of the health care facility, including a State hospital, a
 10 person proposing to close all or part of the health care facility files notice of the proposed
 11 closing or partial closing with the Commission.

12 (2) A hospital [located in a county with fewer than three hospitals that files
 13 a notice of its proposed closing or partial closing with the Commission] shall hold a public
 14 informational hearing in the county where the hospital is located **IF THE HOSPITAL:**

15 **(I) FILES A NOTICE OF THE PROPOSED CLOSING OF THE**
 16 **HOSPITAL WITH THE COMMISSION;**

17 **(II) REQUESTS AN EXEMPTION FROM THE COMMISSION UNDER**
 18 **SUBSECTION (O)(3) OF THIS SECTION TO CONVERT TO A FREESTANDING MEDICAL**
 19 **FACILITY; OR**

20 **(III) IS LOCATED IN A COUNTY WITH FEWER THAN THREE**
 21 **HOSPITALS AND FILES A NOTICE OF THE PARTIAL CLOSING OF THE HOSPITAL WITH**
 22 **THE COMMISSION.**

23 (3) The Commission may require a health care facility other than a hospital
 24 described in paragraph (2) of this subsection that files notice of its proposed closing or
 25 partial closing to hold a public informational hearing in the county where the health care
 26 facility is located.

27 (4) A public informational hearing required under paragraph (2) or (3) of
 28 this subsection shall be held by the health care facility, in consultation with the
 29 Commission, within 30 days after [the]:

30 **(I) THE** health care facility files **WITH THE COMMISSION** a notice
 31 of its proposed closing or partial closing [with the Commission]; **OR**

32 **(II) THE HOSPITAL FILES WITH THE COMMISSION A NOTICE OF**
 33 **INTENT TO CONVERT TO A FREESTANDING MEDICAL FACILITY.**

1 **(5) (I) THE COMMISSION SHALL ESTABLISH BY REGULATION**
2 **REQUIREMENTS FOR A PUBLIC INFORMATIONAL HEARING REQUIRED UNDER**
3 **PARAGRAPH (2) OR (3) OF THIS SUBSECTION.**

4 **(II) FOR A HOSPITAL PROPOSING TO CLOSE, PARTIALLY CLOSE,**
5 **OR CONVERT TO A FREESTANDING MEDICAL FACILITY, THE REGULATIONS SHALL**
6 **REQUIRE THE HOSPITAL TO ADDRESS:**

7 **1. THE REASONS FOR THE CLOSURE, PARTIAL CLOSURE,**
8 **OR CONVERSION;**

9 **2. THE PLAN FOR TRANSITIONING ACUTE CARE**
10 **SERVICES PREVIOUSLY PROVIDED BY THE HOSPITAL TO RESIDENTS OF THE**
11 **HOSPITAL SERVICE AREA;**

12 **3. THE PLAN FOR ADDRESSING THE HEALTH CARE**
13 **NEEDS OF THE RESIDENTS OF THE HOSPITAL SERVICE AREA;**

14 **4. THE PLAN FOR RETRAINING AND PLACING**
15 **DISPLACED EMPLOYEES;**

16 **5. THE PLAN FOR THE HOSPITAL'S PHYSICAL PLANT AND**
17 **SITE; AND**

18 **6. THE PROPOSED TIMELINE FOR THE CLOSURE,**
19 **PARTIAL CLOSURE, OR CONVERSION TO A FREESTANDING MEDICAL FACILITY.**

20 **(6) WITHIN 10 WORKING DAYS AFTER A PUBLIC INFORMATIONAL**
21 **HEARING HELD BY A HOSPITAL UNDER THIS SUBSECTION, THE HOSPITAL SHALL**
22 **PROVIDE A WRITTEN SUMMARY OF THE HEARING TO:**

23 **(I) THE GOVERNOR;**

24 **(II) THE SECRETARY;**

25 **(III) THE GOVERNING BODY OF THE COUNTY IN WHICH THE**
26 **HOSPITAL IS LOCATED;**

27 **(IV) THE LOCAL HEALTH DEPARTMENT AND THE LOCAL BOARD**
28 **OF HEALTH OR SIMILAR BODY FOR THE COUNTY IN WHICH THE HOSPITAL IS**
29 **LOCATED;**

30 **(V) THE COMMISSION; AND**

1 (VI) SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT
2 ARTICLE, THE SENATE FINANCE COMMITTEE, THE HOUSE HEALTH AND
3 GOVERNMENT OPERATIONS COMMITTEE, AND THE MEMBERS OF THE GENERAL
4 ASSEMBLY WHO REPRESENT THE DISTRICT IN WHICH THE HOSPITAL IS LOCATED.

5 (O) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
6 SUBSECTION, A PERSON SHALL HAVE A CERTIFICATE OF NEED ISSUED BY THE
7 COMMISSION BEFORE A PERSON ESTABLISHES OR OPERATES A FREESTANDING
8 MEDICAL FACILITY.

9 (2) A CERTIFICATE OF NEED IS NOT REQUIRED FOR THE
10 ESTABLISHMENT OR OPERATION OF A FREESTANDING MEDICAL FACILITY PILOT
11 PROJECT ESTABLISHED UNDER § 19-3A-07 OF THIS TITLE.

12 (3) (I) A CERTIFICATE OF NEED IS NOT REQUIRED TO ESTABLISH
13 OR OPERATE A FREESTANDING MEDICAL FACILITY IF:

14 1. THE FREESTANDING MEDICAL FACILITY IS
15 ESTABLISHED AS THE RESULT OF THE CONVERSION OF A LICENSED GENERAL
16 HOSPITAL;

17 2. THROUGH THE CONVERSION, THE LICENSED
18 GENERAL HOSPITAL WILL ELIMINATE THE CAPABILITY OF THE HOSPITAL TO ADMIT
19 OR RETAIN PATIENTS FOR OVERNIGHT HOSPITALIZATION, EXCEPT FOR
20 OBSERVATION STAYS;

21 3. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
22 PARAGRAPH, THE FREESTANDING MEDICAL FACILITY WILL REMAIN ON THE SITE OF,
23 OR ON A SITE ADJACENT TO, THE LICENSED GENERAL HOSPITAL;

24 4. AT LEAST ~~45~~ 60 DAYS BEFORE THE CONVERSION,
25 WRITTEN NOTICE OF INTENT TO CONVERT THE LICENSED GENERAL HOSPITAL TO A
26 FREESTANDING MEDICAL FACILITY IS FILED WITH THE COMMISSION;

27 5. THE COMMISSION IN ITS SOLE DISCRETION FINDS
28 THAT THE CONVERSION:

29 A. IS ~~NOT INCONSISTENT~~ CONSISTENT WITH THE STATE
30 HEALTH PLAN;

31 B. WILL RESULT IN THE DELIVERY OF MORE EFFICIENT
32 AND EFFECTIVE HEALTH CARE SERVICES;

1 **C. WILL MAINTAIN ADEQUATE AND APPROPRIATE**
 2 **DELIVERY OF EMERGENCY CARE WITHIN THE STATEWIDE EMERGENCY MEDICAL**
 3 **SERVICES SYSTEM AS DETERMINED BY THE STATE EMERGENCY MEDICAL SERVICES**
 4 **BOARD; AND**

5 **D. IS IN THE PUBLIC INTEREST; AND**

6 **6. WITHIN ~~45~~ 60 DAYS AFTER RECEIVING NOTICE**
 7 **UNDER ITEM 4 OF THIS SUBPARAGRAPH, THE COMMISSION NOTIFIES THE LICENSED**
 8 **GENERAL HOSPITAL OF THE COMMISSION'S FINDINGS.**

9 **(II) THE COMMISSION MAY APPROVE A SITE FOR A**
 10 **FREESTANDING MEDICAL FACILITY THAT IS NOT ON THE SITE OF, OR ON A SITE**
 11 **ADJACENT TO, THE LICENSED GENERAL HOSPITAL IF:**

12 **1. THE LICENSED GENERAL HOSPITAL IS:**

13 **A. THE ONLY HOSPITAL IN THE COUNTY; OR**

14 **B. ONE OF TWO HOSPITALS IN THE COUNTY THAT ARE**
 15 **PART OF THE SAME MERGED ASSET SYSTEM, AND ARE THE ONLY TWO HOSPITALS IN**
 16 **THE COUNTY; AND**

17 **2. THE SITE IS WITHIN A 5-MILE RADIUS AND IN THE**
 18 **PRIMARY SERVICE AREA OF THE LICENSED GENERAL HOSPITAL.**

19 **(III) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS**
 20 **PARAGRAPH, A LICENSED GENERAL HOSPITAL LOCATED IN KENT COUNTY MAY NOT**
 21 **CONVERT TO A FREESTANDING MEDICAL FACILITY IN ACCORDANCE WITH**
 22 **SUBPARAGRAPH (I) OF THIS PARAGRAPH BEFORE JULY 1, 2020.**

23 19-201.

24 (d) (1) "Hospital services" means:

25 (i) Inpatient hospital services as enumerated in Medicare
 26 Regulation 42 C.F.R. § 409.10, as amended;

27 (ii) Emergency services, including services provided at[:

28 1. Freestanding medical facility pilot projects authorized
 29 under Subtitle 3A of this title prior to January 1, 2008; and

1 2. A freestanding medical facility issued a certificate of need
2 by the Maryland Health Care Commission after July 1, 2015] **A FREESTANDING MEDICAL**
3 **FACILITY LICENSED UNDER SUBTITLE 3A OF THIS TITLE;**

4 (iii) Outpatient services provided at [the] A hospital; [and]

5 **(IV) OUTPATIENT SERVICES, AS SPECIFIED BY THE**
6 **COMMISSION IN REGULATION, PROVIDED AT A FREESTANDING MEDICAL FACILITY**
7 **LICENSED UNDER SUBTITLE 3A OF THIS TITLE THAT HAS RECEIVED:**

8 1. **A CERTIFICATE OF NEED UNDER § 19–120(O)(1) OF**
9 **THIS TITLE; OR**

10 2. **AN EXEMPTION FROM OBTAINING A CERTIFICATE OF**
11 **NEED UNDER § 19–120(O)(3) OF THIS TITLE; AND**

12 [[iv)] **(V)** Identified physician services for which a facility has
13 Commission–approved rates on June 30, 1985.

14 (2) “Hospital services” includes a hospital outpatient service:

15 (i) Of a hospital that, on or before June 1, 2015, is under a merged
16 asset hospital system;

17 (ii) That is designated as a part of another hospital under the same
18 merged asset hospital system to make it possible for the hospital outpatient service to
19 participate in the 340B Program under the federal Public Health Service Act; and

20 (iii) That complies with all federal requirements for the 340B
21 Program and applicable provisions of 42 C.F.R. § 413.65.

22 (3) “Hospital services” does not include:

23 (i) Outpatient renal dialysis services; or

24 (ii) Outpatient services provided at a limited service hospital as
25 defined in § 19–301 of this title, except for emergency services.

26 19–211.

27 (c) The Commission shall set rates for hospital services provided at:

28 (1) A freestanding medical facility pilot project authorized under Subtitle
29 3A of this title prior to January 1, 2008; and

1 (2) A freestanding medical facility [issued a certificate of need by the
2 Maryland Health Care Commission after July 1, 2015] **LICENSED UNDER SUBTITLE 3A**
3 **OF THIS TITLE.**

4 19-3A-01.

5 In this subtitle, “freestanding medical facility” means a facility:

6 (1) In which medical and health services are provided;

7 (2) That, **EXCEPT FOR A FREESTANDING MEDICAL FACILITY**
8 **ESTABLISHED AS A RESULT OF A CONVERSION OF A LICENSED GENERAL HOSPITAL**
9 **UNDER § 19-120(O)(3) OF THIS TITLE**, is physically separate from a hospital or hospital
10 grounds; [and]

11 (3) That is an administrative part of a hospital [or related institution], as
12 defined in § 19-301 of this title; **AND**

13 (4) **THAT MEETS THE REQUIREMENTS FOR PROVIDER-BASED STATUS**
14 **UNDER THE CERTIFICATION FOR AN AFFILIATED HOSPITAL AS SET FORTH BY THE**
15 **CENTERS FOR MEDICARE AND MEDICAID SERVICES IN 42 C.F.R. § 413.65.**

16 19-3A-03.

17 (a) The Department shall issue a license to a freestanding medical facility that:

18 (1) Meets the licensure requirements under this subtitle; and

19 (2) [After July 1, 2015, receives] **RECEIVES** a certificate of need **OR AN**
20 **EXEMPTION FROM OBTAINING A CERTIFICATE OF NEED** from the Maryland Health
21 Care Commission [issued] under § 19-120 of this title.

22 (b) A freestanding medical facility that uses in its title or advertising the word
23 “emergency” or other language indicating to the public that medical treatment for
24 immediately life-threatening medical conditions exist at that facility shall be licensed by
25 the Department before it may operate in this State.

26 (c) Notwithstanding subsection (a)(2) of this section, the Department may not
27 require a freestanding medical facility pilot project to be approved by the Maryland Health
28 Care Commission as a condition of licensure.

29 19-3A-08.

30 (a) This section applies to all payors subject to the rate-setting authority of the
31 Health Services Cost Review Commission, including:

1 (1) Insurers, nonprofit health service plans, and health maintenance
2 organizations that deliver or issue for delivery individual, group, or blanket health
3 insurance policies and contracts in the State;

4 (2) Managed care organizations, as defined in § 15–101 of this article; and

5 (3) The Maryland Medical Assistance Program established under Title 15,
6 Subtitle 1 of this article.

7 (b) A payor subject to this section shall pay rates set by the Health Services Cost
8 Review Commission under Subtitle 2 of this title for hospital services provided at:

9 (1) A freestanding medical facility pilot project authorized under this
10 subtitle prior to January 1, 2008; and

11 (2) A freestanding medical facility [issued a certificate of need by the
12 Maryland Health Care Commission after July 1, 2015] **LICENSED UNDER § 19–3A–03 OF**
13 **THIS SUBTITLE.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That:

15 (a) There is a workgroup on rural health care delivery.

16 (b) The workgroup consists of:

17 (1) the Chair of the Senate Finance Committee and the Chair of the House
18 Health and Government Operations Committee;

19 (2) two members of the Senate of Maryland and two members of the House
20 of Delegates from rural areas of the State, appointed by the President of the Senate and
21 the Speaker of the House of Delegates, respectively;

22 (3) the Secretary of Health and Mental Hygiene, or the Secretary's
23 designee; ~~and~~

24 (4) the Chief Executive Officer of McCready Memorial Hospital, or the
25 Chief Executive Officer's designee;

26 (5) the Chief Executive Officer of Garrett Regional Medical Center, or the
27 Chief Executive Officer's designee; and

28 ~~(4)~~ (6) individuals representing the interests of health care providers,
29 business, labor, State and local government, consumers, and other stakeholder groups,
30 appointed by the Maryland Health Care Commission.

1 (c) The Maryland Health Care Commission shall designate the chair of the
2 workgroup.

3 (d) The Maryland Health Care Commission and the Department of Health and
4 Mental Hygiene shall provide staff for the workgroup.

5 (e) The workgroup shall:

6 (1) oversee a study of rural health care needs in Caroline, Dorchester,
7 Kent, Queen Anne's, and Talbot counties; and

8 (2) hold public hearings to gain community input regarding the health care
9 needs in the five study counties.

10 (f) The study required under subsection (e)(1) of this section shall:

11 (1) be carried out by an entity with expertise in rural health care delivery
12 and planning;

13 (2) examine challenges to the delivery of health care in the five study
14 counties, including:

15 (i) the limited availability of health care providers and services;

16 (ii) the special needs of vulnerable populations;

17 (iii) transportation barriers; and

18 (iv) the economic impact of the closure, partial closure, or conversion
19 of a health care facility;

20 (3) take into account the input gained through the public hearings held by
21 the workgroup;

22 (4) identify opportunities created by telehealth and the Maryland
23 all-payer model contract for restructuring the delivery of health care services; and

24 (5) develop policy options for addressing the health care needs of residents
25 of and improving the health care delivery system in the five study counties.

26 (g) The workgroup shall:

27 (1) review the policy options developed under the study and recommend
28 policies that address:

29 (i) the health care needs of residents of the five study counties; and

1 (ii) improvements to the health care delivery system in the five study
2 counties; and

3 (2) on or before October 1, 2017, report on the findings of the study and the
4 recommendations of the workgroup to the Governor and, in accordance with § 2-1246 of
5 the State Government Article, the General Assembly.

6 SECTION 3. AND BE IT FURTHER ENACTED, That:

7 (a) It is the intent of the General Assembly that, due to unique circumstances and
8 a desire for prompt consideration by the Maryland Health Care Commission of the certificate
9 of need for the Prince George's Regional Medical Center, the memorandum of understanding,
10 which sets forth the process for community engagement regarding the modernization and
11 transformation plan for Laurel Regional Hospital entered into by the University of
12 Maryland Medical System and representatives of local government, shall supplement the
13 process for community engagement regarding the modernization and transformation plan
14 for the Laurel Regional Hospital.

15 (b) Subsection (a) of this section may not be construed to affect the processes
16 established under Section 1 of this Act.

17 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That, notwithstanding any other
18 provision of law:

19 (a) Funds in the Maryland Health Benefit Exchange Fund deposited or
20 transferred from the Maryland Health Insurance Plan Fund may be used by the Maryland
21 Health Care Commission in fiscal years 2017 and 2018 to pay for the study of rural health
22 care needs required under Section 2 of this Act.

23 (b) The amount of funds that may be used under subsection (a) of this section may
24 not exceed \$500,000.

25 SECTION ~~2~~ ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.