

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

Senate Bill 352

(Senators Hershey and Rosapepe)

Finance

Health and Government Operations

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**Maryland Health Care Commission - Certificate of Need Review - Interested Party**

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This bill expands the definition of “interested party” for purposes of certain certificate of need (CON) applications. In the review of a replacement acute general hospital project proposed by or on behalf of a regional health system that serves multiple contiguous jurisdictions, a jurisdiction within the region served by the regional health system that does not contain the proposed replacement acute general hospital project must be considered an interested party.

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**Fiscal Summary**

**State Effect:** The bill does not substantively change State activities or operations.

**Local Effect:** Certain jurisdictions that do not contain a proposed replacement acute general hospital are eligible to participate in the CON process as an interested party.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Any interested party may submit written comments on a CON application and request the opportunity to present oral argument to the CON reviewer before the reviewer prepares a recommended decision on the CON application. The reviewer may grant, deny, or impose limitations on an interested party’s request. Any interested party who has submitted written comments may submit written exceptions to the proposed decision and make oral argument to the Maryland Health Care Commission (MHCC) before MHCC takes final action on a CON application.

MHCC must define “interested party” to include, at a minimum, (1) MHCC staff; (2) any applicant who has submitted a competing application; (3) any other person who can demonstrate that the person would be adversely affected by the decision on a CON application; and (4) a local health planning agency for a jurisdiction or region in which the proposed facility or service will be located. MHCC regulations further define “interested party” to include a third-party payor who can demonstrate substantial negative impact on overall costs to the health care system if the project is approved and a local health department in the jurisdiction or, in the case of regional services, in the planning region in which the proposed service is to be offered.

Maryland’s CON program is intended to ensure that new health care facilities and services are developed in the State only as needed and that, if determined to be needed, they are cost-effective; high quality; geographically and financially accessible; financially viable; and will not have a significant negative impact on the cost, quality, or viability of other health care facilities and services. With certain exceptions, a CON is required to (1) build, develop, or establish a new health care facility; (2) move an existing health care facility to another site; (3) change the bed capacity of a health care facility; (4) change the type or scope of any health care service offered by a health care facility; or (5) make a health care facility capital expenditure that exceeds a specified threshold.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2016  
kb/ljm Revised - Enrolled Bill - May 5, 2016

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Analysis by: Jennifer B. Chasse

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