

**Department of Legislative Services**  
Maryland General Assembly  
2019 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 1059 (Delegate Lisanti)  
Health and Government Operations

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**Health Care Facilities - Closing or Partial Closing - Public Notice**

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This bill expands specified notice requirements related to the closing or partial closing of a health care facility. All costs incurred by the Maryland Health Care Commission (MHCC) in providing notice of the proposed closing or partial closing must be paid by the person proposing to close or partially close a health care facility. MHCC is authorized to require the person proposing the closure or partial closure of a health care facility to publish and send the required notices. The bill also expands the required contents of specified regulations established by MHCC to require a hospital preparing to close, partially close, or convert to a freestanding health care facility to address the economic impact on the community.

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**Fiscal Summary**

**State Effect:** MHCC's finances and operations are not materially affected; additional responsibilities can be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** MHCC must publish notice of the proposed closing or partial closing of a health care facility within 10 days after receiving the notice of the proposed closing. Any required notice must be published at least once a week for two consecutive weeks in a daily or weekly newspaper of general circulation in the geographical area in which the health care facility is located. MHCC may require that notice of any informational meeting or a

public hearing be given by mail to each person requesting the meeting or hearing, or to the person's authorized representatives. MHCC must also post the notice, including specified information, on its website, and must provide a method for interested persons to request any additional notices related to the closure or partial closure of a health care facility.

MHCC must ensure that the notice of the proposed closing or partial closing of a health care facility is (1) available to the public for inspection and copying and (2) provided to the local governing body and the members of the General Assembly who represent the district in which the health care facility is located.

MHCC *must* (1) publish notice of any informational meeting held by the hospital proposing closing or partial closing, as required by statute, and (2) post the specified written summary of the meeting on its website within 10 days after receiving the written summary from the hospital.

MHCC *may* provide additional notice by requiring that the notice be posted at the health care facility or at public facilities in the geographical area of the health care facility.

**Current Law/Background:** Generally, a certificate of need is not required to close any health care facility or part of a health care facility if at least 90 days before the closing, or at least 45 days before the partial closing of the health care facility, a person proposing to close all or part of the health care facility files notice with MHCC.

Chapter 420 of 2016, among other things, expanded the circumstances under which a hospital must hold a public informational hearing and established additional notice and reporting requirements. A hospital *must* hold a public informational hearing in the county where the hospital is located if the hospital (1) files a notice of the proposed closing; (2) requests a specified exemption from MHCC to convert the hospital to a freestanding medical facility; or (3) is located in a county with fewer than three hospitals and files a notice of the partial closing of the hospital. MHCC *may* otherwise require a health care facility that files notice of its proposed closing or partial closing to hold a public informational hearing. Any public informational hearing must be held by the health care facility, in consultation with MHCC, within 30 days after the facility files notice with MHCC.

MHCC must establish by regulation requirements for a public informational hearing. For a hospital proposing to close, partially close, or convert to a freestanding medical facility, the regulations must require the hospital to address:

- the reasons for the closure, partial closure, or conversion;
- the plan for transitioning acute care services previously provided by the hospital to residents of the hospital service area;

- the plan for addressing the health care needs of the residents of the hospital service area;
- the plan for retraining and placing displaced employees;
- the plan for the hospital's physical plant and site; and
- the proposed timeline for the closure, partial closure, or conversion to a freestanding medical facility.

Within 10 working days after a public informational hearing, the hospital must provide a written summary of the hearing to the Governor, the Secretary of Health, the governing body of the county in which the hospital is located, the local health department and local board of health, MHCC, and specified committees and members of the General Assembly.

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### **Additional Information**

**Prior Introductions:** HB 1540 of 2018, a similar bill, received a hearing in the House Health and Government Operations Committee, but no further action was taken.

**Cross File:** None.

**Information Source(s):** Maryland Department of Health; Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2019  
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