

# HOUSE BILL 1553

P3, C3

EMERGENCY BILL

7lr3530  
CF SB 1075

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By: ~~Delegate Cullison~~ Delegates Cullison, Pendergrass, Bromwell, Angel, Hayes, Hill, Kelly, Kipke, McDonough, Metzgar, Miele, Morales, Morgan, Pena-Melnyk, Platt, Rosenberg, Sample-Hughes, Szeliga, West, and K. Young

Introduced and read first time: February 16, 2017

Assigned to: Rules and Executive Nominations

Re-referred to: Health and Government Operations, February 27, 2017

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 15, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Nonprofit Health Entity – Acquisition – Waiver of Waiting Period**

3 FOR the purpose of authorizing a certain regulating entity, under certain circumstances,  
4 to waive a certain waiting period between the date a determination is made on a  
5 certain acquisition of a nonprofit health entity and the date the determination takes  
6 effect; making conforming changes; making this Act an emergency measure; and  
7 generally relating to acquisitions of nonprofit health entities.

8 BY repealing and reenacting, with amendments,

9 Article – State Government

10 Section 6.5–203

11 Annotated Code of Maryland

12 (2014 Replacement Volume and 2016 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

14 That the Laws of Maryland read as follows:

15 **Article – State Government**

16 6.5–203.

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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.



1 (a) (1) As soon as practicable, but no later than 90 days after receiving a  
2 complete application, including all necessary expert reports, the appropriate regulating  
3 entity shall hold a public hearing.

4 (2) If the nonprofit health entity is a hospital, the regulating entity shall  
5 hold the public hearing in the jurisdiction in which the hospital is located.

6 (b) A public hearing under this section shall be a quasi-legislative hearing and  
7 not a contested case hearing.

8 (c) Any person may file written comments and exhibits or make a statement at  
9 the public hearing.

10 (d) The regulating entity may:

11 (1) subpoena information and witnesses;

12 (2) require sworn statements;

13 (3) take depositions; and

14 (4) use related discovery procedures.

15 (e) (1) The regulating entity may contract with experts as reasonably  
16 necessary to:

17 (i) determine whether to approve an acquisition generally;

18 (ii) perform an independent valuation of the public or charitable  
19 assets of the transferor;

20 (iii) evaluate the impact of the acquisition on the affected community;

21 (iv) determine whether there has been due diligence by the  
22 transferor; and

23 (v) determine the existence of any conflicts of interest.

24 (2) The selection of an expert by a regulating entity under paragraph (1) of  
25 this subsection shall be subject to the State procurement laws.

26 (3) If a regulating entity contracts for expert assistance under paragraph  
27 (1) of this subsection, the transferee shall pay the reasonable cost of the expert assistance,  
28 as determined by the regulating entity.

29 (f) Within 60 days after the record, including the public hearing process, has been  
30 closed, the appropriate regulating entity shall:

1 (1) approve the acquisition, with or without modifications; or

2 (2) disapprove the acquisition.

3 (g) (1) Subject to paragraph (2) of this subsection, at its discretion, the  
4 regulating entity may extend for good cause for a 60-day period the time for making a  
5 determination under subsection (f) of this section.

6 (2) The regulating entity is limited to a maximum of two 60-day extensions  
7 for making a determination on the same application.

8 (h) (1) [A] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
9 SUBSECTION, A determination made by the appropriate regulating entity under  
10 subsection (f) of this section may not take effect until THE EARLIER OF:

11 (I) 90 calendar days after the date the determination is made; or

12 (II) THE DATE when ratified or rejected by the General Assembly[,  
13 whichever is earlier].

14 (2) THE APPROPRIATE REGULATING ENTITY MAY WAIVE THE  
15 WAITING PERIOD UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION IF THE  
16 APPROPRIATE REGULATING ENTITY DETERMINES THAT WAIVING THE WAITING  
17 PERIOD IS IN THE BEST INTEREST OF THE PUBLIC.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
19 measure, is necessary for the immediate preservation of the public health or safety, has  
20 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
21 each of the two Houses of the General Assembly, and shall take effect from the date it is  
22 enacted.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.