

SENATE BILL 390

J3, K3
SB 379/17 – FIN

8lr2152
CF 8lr2153

By: **Senators Feldman, Hershey, Benson, Klausmeier, Mathias, Oaks, Reilly, and Rosapepe**

Introduced and read first time: January 25, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Hospitals – Changes in Status – Hospital Employee Retraining and Placement**

3 FOR the purpose of requiring a hospital that downsizes to pay a fee directly to the
4 Department of Labor, Licensing, and Regulation if workers are displaced;
5 prohibiting the fee from exceeding a certain percent of total revenue approved by the
6 Health Services Cost Review Commission for a certain fiscal year; limiting the
7 number of times the fee may be assessed; prohibiting a certain fee paid by a hospital
8 that voluntarily closes, merges, or is delicensed from exceeding a certain percent of
9 total revenue approved by the Health Services Cost Review Commission, rather than
10 the gross operating revenue, for a certain fiscal year; requiring the Health Services
11 Cost Review Commission to prorate the total amount of certain fees in a certain
12 manner to derive a certain fee; prohibiting the Health Services Cost Review
13 Commission from including certain employees if the Health Services Cost Review
14 Commission uses the number of employees of a hospital who are affected by the
15 closure, merger, downsizing, or delicensing of the hospital in calculating a certain
16 fee; altering the purpose of a certain program the Department is required to
17 establish; requiring the Department to make a certain determination before using a
18 certain program; defining a certain term; making a conforming change; making
19 stylistic changes; and generally relating to hospital employee retraining and
20 placement related to changes in hospital status.

21 BY repealing and reenacting, with amendments,
22 Article – Health – General
23 Section 19–326.1
24 Annotated Code of Maryland
25 (2015 Replacement Volume and 2017 Supplement)

26 BY repealing and reenacting, with amendments,
27 Article – Labor and Employment
28 Section 11–201

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2016 Replacement Volume and 2017 Supplement)

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

5 **Article – Health – General**

6 19–326.1.

7 **(A) IN THIS SECTION, “DOWNSIZE” MEANS TO REDUCE THE NUMBER OF**
8 **EMPLOYEES OF A HOSPITAL BY AT LEAST 10 FULL–TIME EQUIVALENT EMPLOYEES**
9 **IN ANY CONSECUTIVE 3–MONTH PERIOD.**

10 **(B) (1)** If a hospital voluntarily closes, merges, **DOWNSIZES**, or is delicensed
11 under § 19–325 of this subtitle and workers are displaced[:

12 (1) Each], **EACH** hospital shall pay a fee directly to the Department of
13 Labor, Licensing, and Regulation.

14 **(2) [The] SUBJECT TO PARAGRAPHS (3) AND (4) OF THIS SUBSECTION,**
15 **THE fee [shall] REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION:**

16 **(I) MAY** not exceed 0.01 percent of the [gross operating] **TOTAL**
17 **revenue APPROVED BY THE HEALTH SERVICES COST REVIEW COMMISSION** for the
18 fiscal year immediately preceding the closure, **MERGER, DOWNSIZING**, or delicensing of
19 the hospital[. A fee shall only]; **AND**

20 **(II) MAY** be assessed **ONLY** once for each voluntary closure, merger,
21 **DOWNSIZING**, or delicensure.

22 **(3) THE HEALTH SERVICES COST REVIEW COMMISSION SHALL**
23 **PRORATE THE TOTAL AMOUNT OF FEES AMONG ALL HOSPITALS BASED ON THE**
24 **RATIO OF THE ACTUAL GROSS PATIENT REVENUES OF AN INDIVIDUAL HOSPITAL TO**
25 **THE TOTAL GROSS PATIENT REVENUES OF ALL HOSPITALS TO DERIVE THE**
26 **INDIVIDUAL FEE FOR EACH HOSPITAL.**

27 **(4) IF THE HEALTH SERVICES COST REVIEW COMMISSION USES THE**
28 **NUMBER OF EMPLOYEES AFFECTED BY THE CLOSURE, MERGER, DOWNSIZING, OR**
29 **DELICENSING OF A HOSPITAL IN CALCULATING THE FEE, THE HEALTH SERVICES**
30 **COST REVIEW COMMISSION MAY NOT INCLUDE AN EMPLOYEE WHO IS OFFERED A**
31 **COMPARABLE OR BETTER POSITION BY THE HOSPITAL AT AN AFFILIATED HOSPITAL**
32 **LOCATED WITHIN A 30–MILE RADIUS OF THE EMPLOYEE’S PLACE OF RESIDENCE.**

33 **[(2)] (5)** The Secretary of Labor, Licensing, and Regulation shall pay the

1 fees received under this [section] SUBSECTION into the Hospital Employees Training Fund
2 established under § 11–201 of the Labor and Employment Article.

3 Article – Labor and Employment

4 11–201.

5 (A) IN THIS SECTION, “DOWNSIZE” MEANS TO REDUCE THE NUMBER OF
6 EMPLOYEES OF A HOSPITAL BY AT LEAST 10 FULL-TIME EQUIVALENT EMPLOYEES
7 IN ANY CONSECUTIVE 3-MONTH PERIOD.

8 [(a)] (B) The Department shall establish a program for the retraining and
9 placement of hospital employees who are **NONEXECUTIVE EMPLOYEES, WHO ARE NOT**
10 **LICENSED PHYSICIANS OR PHYSICIAN ASSISTANTS, AND WHO ARE** unemployed or who
11 may become unemployed as a result of the closing, delicensing, downsizing, [or possible
12 downsizing of a hospital] or [the] merging of hospitals under § 19–325 of the Health –
13 General Article.

14 (C) BEFORE THE DEPARTMENT USES THE PROGRAM ESTABLISHED UNDER
15 SUBSECTION (B) OF THIS SECTION, THE DEPARTMENT SHALL DETERMINE WHETHER
16 THERE ARE OTHER PROGRAMS IN THE DEPARTMENT THAT MAY BE USED TO
17 PROVIDE TRAINING AND PLACEMENT FOR THE HOSPITAL EMPLOYEES WHO WOULD
18 BE ELIGIBLE FOR TRAINING AND PLACEMENT UNDER THE PROGRAM ESTABLISHED
19 UNDER SUBSECTION (B) OF THIS SECTION.

20 [(b)] (D) The Secretary and the Secretary of Health shall adopt regulations to
21 implement this section.

22 [(c)] (E) (1) There is a Hospital Employees Retraining Fund.

23 (2) The Fund shall be used:

24 [(1)] (I) for the purposes described in this section; and

25 [(2)] (II) to pay any and all expenses of the Department in administering
26 this section.

27 [(d)] (F) Any unexpended funds remaining in the Hospital Employees
28 Retraining Fund at the end of the fiscal year may not revert to the General Fund of the
29 State.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2018.