

HB1428/916486/1

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 1428

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, after “Speaker” insert “and Delegates Kipke, Pendergrass, Pena–Melnik, Bagnall, Barron, Bhandari, Carr, Charles, Chisholm, Cullison, Hill, Johnson, Kelly, Kerr, Krebs, R. Lewis, Metzgar, Morgan, Rosenberg, Saab, Sample–Hughes, Szeliga, and K. Young”; in line 4, after the first “of” insert “requiring, on or before a certain date, the Board of Directors of the University of Maryland Medical System Corporation to adopt a certain conflict of interest policy; requiring the Board to send a copy of a certain policy to certain persons at certain times; requiring the Board to ensure that the Medical System Corporation continues to be a certain independent corporation;”; in lines 4 and 5, strike “of Directors of the University of Maryland Medical System Corporation”; in line 7, after “Maryland;” insert “prohibiting a member of the Board from being a State or local elected official; repealing a provision of law requiring a certain number of voting members of the Board to be members of the General Assembly; authorizing the Governor to appoint certain additional voting members who represent certain hospitals;”; in line 7, strike “the Governor or”; in line 13, after “request;” insert “requiring certain statements to be reviewed for compliance with a certain policy by the Board and the compliance officer of the Medical System Corporation;”; in line 15, after the first “the” insert “Governor, the”; in the same line, after “President” insert a comma; in line 16, after “procurement” insert “to award certain contracts to certain persons”; in line 17, strike “certified public accountant” and substitute “entity with certain expertise”; and in lines 24 and 25, strike “declaring the intent of the General Assembly;” and substitute “requiring the terms of certain members of the Board to terminate on certain dates; authorizing certain members of the Board to apply for reappointment subject to certain provisions of law as enacted by this Act; requiring certain members appointed to the Board by the Governor to be subject to the advice and consent of the Senate during a certain legislative session;”

(Over)

HB1428/916486/1 Health and Government Operations Committee
Amendments to HB 1428
Page 2 of 6

requiring certain members to be considered appointed as of a certain date and subject to certain requirements.”.

On page 2, in line 1, after “(m)” insert “, 13-303(a).”; in the same line, strike “13-304(a)” and substitute “13-304(a) and (d)”; after line 3, insert:

“BY adding to

Article – Education

Section 13-303(m) and (n) and 13-304(k), (l), and (m)

Annotated Code of Maryland

(2018 Replacement Volume and 2018 Supplement)”;

in line 6, strike “(d).”; and strike in their entirety lines 9 through 13, inclusive.

AMENDMENT NO. 2

On page 2, after line 24, insert:

“13-303.

(a) Prior to the transfer date:

(1) The Board of Public Works shall approve the articles of incorporation of the Medical System Corporation which shall reflect the requirements of this subtitle; and

(2) The Board of Regents and the Board of Directors shall take all actions necessary to create and organize the Medical System Corporation, which shall be organized for charitable, scientific, and educational purposes and shall attain and maintain exemption from federal income taxation but which shall not be a State agency, political subdivision, public body, public corporation, or municipal corporation and is not subject to any provisions of law affecting only governmental or public entities.

(M) THE BOARD OF DIRECTORS SHALL ENSURE THAT THE MEDICAL SYSTEM CORPORATION CONTINUES TO BE A PRIVATE, NONPROFIT, NONSTOCK CORPORATION THAT IS INDEPENDENT FROM ANY STATE AGENCY.

(N) (1) ON OR BEFORE MAY 31, 2019, THE BOARD OF DIRECTORS SHALL ADOPT A CONFLICT OF INTEREST POLICY FOR MEMBERS OF THE BOARD THAT INCLUDES:

(I) STANDARDS FOR THE DISCLOSURE OF FINANCIAL INTERESTS;

(II) STANDARDS FOR BOARD MEMBER PARTICIPATION IN CONTRACTS WITH THE MEDICAL SYSTEM CORPORATION IN ACCORDANCE WITH THIS SUBTITLE, INCLUDING AN ATTESTATION THAT THE BOARD MEMBER HAS COMPLIED WITH THE CONFLICT OF INTEREST STANDARDS ADOPTED BY THE BOARD;

(III) A REQUIREMENT THAT A BOARD MEMBER MAY NOT USE THE BOARD MEMBER'S POSITION ON THE BOARD FOR PERSONAL GAIN WHEN CONTRACTING WITH THE MEDICAL SYSTEM CORPORATION; AND

(IV) A REQUIREMENT THAT A BOARD MEMBER PROVIDE AN ATTESTATION OF ANY BUSINESS RELATIONSHIP WITH THE MEDICAL SYSTEM CORPORATION OR ANY AFFILIATE OF THE CORPORATION.

(2) THE BOARD OF DIRECTORS SHALL SEND A COPY OF THE CONFLICT OF INTEREST POLICY ADOPTED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, AND THE SPEAKER OF THE HOUSE OF DELEGATES:

(Over)

HB1428/916486/1 Health and Government Operations Committee
Amendments to HB 1428
Page 4 of 6

(I) AFTER THE POLICY IS INITIALLY ADOPTED; AND

(II) EACH TIME A CHANGE IS MADE TO THE POLICY.”;

in line 28, strike “paragraph” and substitute “**PARAGRAPHS**”; and in the same line, after “(2)” insert “**AND (3)**”.

On page 3, after line 15, insert:

“(3) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION, FOR EACH HOSPITAL THAT AFFILIATES WITH THE MEDICAL SYSTEM ON OR AFTER JUNE 1, 2019, THE GOVERNOR MAY APPOINT AN ADDITIONAL VOTING MEMBER WHO IS A REPRESENTATIVE FROM THE HOSPITAL.”;

after line 16, insert:

“(2) A MEMBER OF THE BOARD MAY NOT BE A STATE OR LOCAL ELECTED OFFICIAL.”;

in line 17, strike “(2)” and substitute “**(3)**”; strike in their entirety lines 18 through 20, inclusive; and in line 21, strike “**THE GOVERNOR, OR**”.

On page 4, after line 26, insert:

“(2) THE BOARD OF DIRECTORS AND THE COMPLIANCE OFFICER FOR THE MEDICAL SYSTEM CORPORATION SHALL REVIEW EACH STATEMENT SUBMITTED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR COMPLIANCE WITH THE BOARD’S CONFLICT OF INTEREST POLICY.”;

**HB1428/916486/1 Health and Government Operations Committee
Amendments to HB 1428
Page 5 of 6**

in line 27, strike “(2)” and substitute “(3)”; in line 29, after the first “THE” insert “GOVERNOR, THE”; in the same line, after “SENATE” insert a comma; and in lines 31 and 32, strike “UNDER § 13-107 OF THE STATE FINANCE AND PROCUREMENT ARTICLE” and substitute “TO AWARD A CONTRACT TO AN ACTIVE MEMBER OF THE BOARD OF DIRECTORS OR A BUSINESS ENTITY THAT EMPLOYS OR HAS AN AFFILIATION WITH AN ACTIVE MEMBER”.

On page 5, strike beginning with “certified” in line 11 down through “State” in line 12 and substitute “entity with expertise in nonprofit corporate governance”; strike in their entirety lines 31 through 35, inclusive; and after line 35, insert:

“SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) The terms of the members of the Board of Directors of the University of Maryland Medical System Corporation who are in office on the effective date of this Act shall terminate as follows:

(1) the terms of approximately one-half of the members of the Board shall terminate on June 1, 2019; and

(2) the terms of the remaining members of the Board shall terminate on October 1, 2019.

(b) (1) Subject to the provisions of § 13-301 of the Education Article, as enacted by Section 1 of this Act, a member of the Board whose term is terminated under subsection (a) of this section may apply for reappointment.

(2) The appointment of a member under paragraph (1) of this subsection who is appointed by the Governor is subject to the advice and consent of the Senate during the legislative session immediately following the date of appointment.

(Over)

HB1428/916486/1 Health and Government Operations Committee
Amendments to HB 1428
Page 6 of 6

(3) A member reappointed under this subsection shall be considered appointed on the date of the member's initial appointment and is subject to the requirements of § 13-304(d) of the Education Article."