

HOUSE BILL 1428

G2, F2

EMERGENCY BILL
ENROLLED BILL

(9lr3340)

— *Health and Government Operations/Finance* —

Introduced by **The Speaker and Delegates Kipke, Pendergrass, Pena-Melnyk, Bagnall, Barron, Bhandari, Carr, Charles, Chisholm, Cullison, Hill, Johnson, Kelly, Kerr, Krebs, R. Lewis, Metzgar, Morgan, Rosenberg, Saab, Sample-Hughes, Szeliga, and K. Young**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **University of Maryland Medical System Corporation – Board of Directors,**
3 **Ethics, and ~~Performance Audit~~ *Audits***

4 FOR the purpose of requiring, on or before a certain date, the Board of Directors of the
5 University of Maryland Medical System Corporation to adopt a certain conflict of
6 interest policy; requiring the Board to send a copy of a certain policy to certain
7 persons at certain times; requiring the Board to ensure that the Medical System
8 Corporation continues to be a certain independent corporation; altering the
9 maximum number of members of the Board of ~~Directors of the University of~~
10 ~~Maryland Medical System Corporation~~; requiring certain members of the Board to
11 be appointed by the Governor with the advice and consent of the Senate of Maryland;
12 prohibiting a member of the Board from being a State or local elected official;

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.

Italics indicate opposite chamber/conference committee amendments.



1 repealing a provision of law requiring a certain number of voting members of the
2 Board to be members of the General Assembly; authorizing the Governor to appoint
3 certain additional voting members who represent certain hospitals; requiring a
4 certain voting member to be ~~the Governor or~~ the Governor's designee; adding a
5 certain number of voting members to the Board to be appointed by the President of
6 the Senate and the Speaker of the House; prohibiting a member of the Board from
7 intentionally using the prestige of office for private gain or the gain of another;
8 requiring certain members of the Board annually to submit a certain disclosure
9 statement to the State Health Services Cost Review Commission; ~~requiring a certain~~
10 ~~statement to be available for public inspection on request~~ *requiring certain new*
11 *members of the Board to submit a certain disclosure within a certain time period;*
12 *requiring a certain statement to be available to the public on a certain website through*
13 *a certain registration program under certain circumstances; requiring the Governor*
14 *to remove a certain member of the Board if the member files a certain false statement;*
15 *requiring certain statements to be reviewed for compliance with a certain policy by*
16 *the Board and the compliance officer of the Medical System Corporation; requiring*
17 *the State Health Services Cost Review Commission annually to send a summary of*
18 *certain statements to the Governor, the President, and the Speaker; prohibiting the*
19 *Board Medical System Corporation from using sole source procurement to award*
20 *certain contracts to certain persons; requiring the Governor to remove a certain*
21 *member of the Board under certain circumstances; prohibiting the Medical System*
22 *Corporation from providing a certain preference for the award of certain contracts;*
23 *requiring the award of certain contracts or payments to a member of the Board or a*
24 *certain business to be subject to the approval of the full Board; requiring the*
25 *compliance officer of the Medical System Corporation to take certain actions before*
26 *the Corporation awards a certain contract or makes a certain payment to a member*
27 *of the Board; requiring the Board to develop a certain policy governing certain*
28 *contracts and payments; requiring the Board to submit a certain report to certain*
29 *entities on or before a certain date each year; requiring the Medical System*
30 *Corporation to ~~employ a certain independent certified public accountant entity with~~*
31 *~~certain expertise~~ competitively bid for a certified public accounting firm to conduct a*
32 *certain performance audit of the administrative and financial offices of the Medical*
33 *System Corporation for a certain purpose on or before a certain date; providing that*
34 *a certain audit does not include certain entities; providing that a certain certified*
35 *public accounting firm is ineligible to bid on a certain contract; requiring a certain*
36 *certified public accounting firm to consult with the Joint Audit Committee and the*
37 *Office of Legislative Audits in the development of the scope and objectives of a certain*
38 *audit at a certain time; requiring the Medical System Corporation to submit a*
39 *certified copy of a certain performance audit to the Governor, the President, and the*
40 *Speaker on or before ~~a certain date;~~ certain dates; requiring the Office of Legislative*
41 *Audits to conduct a forensic audit of the Medical System Corporation for certain years*
42 *that includes certain information; requiring the Office of Legislative Audits to submit*
43 *a certain report to certain entities on or before a certain date; requiring the Board to*
44 *conduct a certain internal review and report certain findings and recommendations*
45 *to the Governor, the President, ~~and the Speaker~~ the Speaker, and the Office of*
46 *Legislative Audits on or before a certain date; requiring the Office of Legislative*
47 *Audits to review and comment on a certain report to certain entities; ~~declaring the~~*

~~intent of the General Assembly; requiring the ~~terms~~ appointments of certain members of the Board to ~~terminate~~ end 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; requiring certain members to be considered appointed as of a certain date and subject to certain requirements; *providing that certain members appointed under a certain provision of law are considered appointed to fill a vacancy for a certain member's term; providing for the term and reappointment of certain members appointed to the Board under a certain provision of law as enacted by this Act*; making this Act an emergency measure; making certain conforming changes; and generally relating to the University of Maryland Medical System Corporation.~~

BY repealing and reenacting, without amendments,

Article – Education

Section 13–301(a), (c), and (m), ~~13–303(a)~~, and ~~13–304(a)~~ 13–304(a) and (d)

Annotated Code of Maryland

(2018 Replacement Volume and 2018 Supplement)

BY adding to

Article – Education

Section 13–303(m) and (n) and 13–304(k), (l), ~~and (m)~~ (m), (n), and (o)

Annotated Code of Maryland

(2018 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 13–304(b), (c), ~~(d)~~, and (k)

Annotated Code of Maryland

(2018 Replacement Volume and 2018 Supplement)

~~BY adding to~~

~~Article – Education~~

~~Section 13–304(k), (l), and (m)~~

~~Annotated Code of Maryland~~

~~(2018 Replacement Volume and 2018 Supplement)~~

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

That the Laws of Maryland read as follows:

Article – Education

13–301.

(a) In this subtitle, unless the context clearly requires otherwise, the following words have the meanings indicated.

1 (c) "Board of Directors" means the Board of Directors of the Medical System
2 Corporation.

3 (m) "Medical System Corporation" means University of Maryland Medical System
4 Corporation, a private, nonprofit, nonstock corporation formed under the general
5 corporation laws of this State.

6 13-303.

7 (a) Prior to the transfer date:

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

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

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

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

22 **(I) STANDARDS FOR THE DISCLOSURE OF FINANCIAL**
23 **INTERESTS;**

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

29 **(III) STANDARDS FOR RECUSAL FROM VOTING;**

30 **~~(III)~~ (IV) A REQUIREMENT THAT A ~~BOARD~~ BOARD MEMBER**
31 **MAY NOT USE THE ~~BOARD~~ BOARD MEMBER'S POSITION ON THE BOARD FOR**
32 **PERSONAL GAIN WHEN CONTRACTING WITH THE MEDICAL SYSTEM CORPORATION;**
33 **AND**

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

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

8 (I) AFTER THE POLICY IS INITIALLY ADOPTED; AND

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

10 13-304.

11 (a) The government of the Medical System Corporation is vested in the Board of
12 Directors.

13 (b) (1) Subject to ~~paragraph~~ PARAGRAPHS (2) AND (3) of this subsection, the
14 Board of Directors consists of 6 nonvoting members and not less than 22 and not more than
15 ~~[27]~~ **25** voting members appointed by the Governor **WITH THE ADVICE AND CONSENT OF**
16 **THE SENATE.**

17 (2) (i) On or after October 1, 2014, the Medical System Corporation may
18 amend its articles of incorporation to add up to three voting members to the Board of
19 Directors as the Medical System Corporation determines to be necessary and appropriate.

20 (ii) Nominations of additional voting members shall be made by the
21 Board of Directors and submitted to the Board of Regents for comment and to the Governor
22 for consideration.

23 (iii) Any member added to the Board of Directors under
24 subparagraph (i) of this paragraph shall:

25 1. Represent an entity that affiliates with the Medical
26 System Corporation on or after October 1, 2014;

27 2. Be appointed by the Governor **WITH THE ADVICE AND**
28 **CONSENT OF THE SENATE;** and

29 3. Be designated as an affiliate board member.

30 (iv) **[The voting membership of the Board of Directors may not exceed**
31 **30 members.**

(v) Nothing in this paragraph may be construed to require the Medical System Corporation to nominate a representative of an entity that affiliates with the Medical System Corporation on or after October 1, 2014, to be an additional board member.

(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.

(c) (1) Each member shall be a resident of this State.

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

~~(2)~~ **(3)** Three voting members shall be members of the Board of Regents.

~~(3) Two voting members shall be members of the General Assembly, 1 nominated by the President of the Senate and 1 nominated by the Speaker of the House of Delegates.~~

(4) ONE VOTING MEMBER SHALL BE ~~THE GOVERNOR, OR~~ THE GOVERNOR'S DESIGNEE.

(5) TWO VOTING MEMBERS SHALL BE APPOINTED AS FOLLOWS:

(I) ONE APPOINTED BY THE PRESIDENT OF THE SENATE OF MARYLAND; AND

(II) ONE APPOINTED BY THE SPEAKER OF THE HOUSE OF DELEGATES.

[(4)] (6) At least 1 voting member of the Board shall be appointed by the Governor, upon nomination by the membership of the Community Advisory Council, from the membership of the Community Advisory Council.

[(5)] (7) At least 1 voting member of the Board of Directors shall have expertise in the hospital field.

[(6)] (8) In appointing the voting members of the Board of Directors, the Governor shall [insure] **ENSURE** that the composition of the Board fairly represents the minority composition of the State.

[(7)] (9) The nonvoting members shall be, ex officio, the Chancellor of the University System of Maryland, the President, the Chief Executive Officer, the Dean of the

1 School of Medicine, the President of the medical staff organization of the medical system,
2 and the Associate Director of nursing services for the medical system.

3 (d) (1) The term of a member is 5 years and begins on the 1st Monday in June
4 of the year of appointment.

5 (2) The terms of members are staggered as required by the terms provided
6 for members of the Board on the transfer date.

7 (3) At the end of a term, a member continues to serve until a successor is
8 appointed and qualifies.

9 (4) A member appointed to fill a vacancy in an unexpired term serves only
10 for the remainder of that term and until a successor is appointed and qualifies.

11 (5) A member may be reappointed, but may not serve more than 2
12 consecutive full terms.

13 (K) A MEMBER OF THE BOARD MAY NOT INTENTIONALLY USE THE
14 PRESTIGE OF OFFICE OR PUBLIC POSITION FOR THAT MEMBER'S PRIVATE GAIN OR
15 THAT OF ANOTHER.

16 (L) (1) (I) ~~EACH MEMBER ANNUALLY SHALL SUBMIT A DISCLOSURE OF~~
17 ~~FINANCIAL INTEREST, INCLUDING ANY POTENTIAL CONFLICTS OF INTEREST, TO~~
18 ~~THE STATE HEALTH SERVICES COST REVIEW COMMISSION.~~

19 ~~(H) A STATEMENT SUBMITTED UNDER SUBPARAGRAPH (I) OF~~
20 ~~THIS PARAGRAPH SHALL BE AVAILABLE FOR PUBLIC INSPECTION ON REQUEST.~~
21 EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, EACH MEMBER
22 ANNUALLY SHALL SUBMIT A DISCLOSURE OF FINANCIAL INTEREST, INCLUDING ANY
23 POTENTIAL CONFLICTS OF INTEREST, TO THE STATE HEALTH SERVICES COST
24 REVIEW COMMISSION.

25 (II) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF
26 THIS SUBPARAGRAPH, THE STATE HEALTH SERVICES COST REVIEW COMMISSION
27 SHALL MAKE FREELY AVAILABLE TO THE PUBLIC ON ITS WEBSITE, THROUGH AN
28 ONLINE REGISTRATION PROGRAM, THE STATEMENT SUBMITTED UNDER
29 SUBPARAGRAPH (I) OF THIS PARAGRAPH.

30 2. THE STATE HEALTH SERVICES COST REVIEW
31 COMMISSION MAY NOT PROVIDE PUBLIC ACCESS TO THE PORTION OF THE
32 STATEMENT THAT INCLUDES AN ADDRESS THAT THE MEMBER HAS IDENTIFIED AS
33 THE MEMBER'S HOME ADDRESS.

1 (III) A NEWLY APPOINTED MEMBER SHALL SUBMIT A
2 DISCLOSURE OF FINANCIAL INTEREST WITHIN 60 DAYS AFTER THE MEMBER'S
3 APPOINTMENT TO THE BOARD.

4 (2) IF THE GOVERNOR DETERMINES THAT A MEMBER HAS WILLFULLY
5 FILED A FALSE STATEMENT UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE
6 GOVERNOR SHALL REMOVE THE MEMBER FROM THE BOARD.

7 ~~(2)~~ (3) THE BOARD OF DIRECTORS AND THE COMPLIANCE
8 OFFICER FOR THE MEDICAL SYSTEM CORPORATION SHALL REVIEW EACH
9 STATEMENT SUBMITTED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR
10 COMPLIANCE WITH THE BOARD'S CONFLICT OF INTEREST POLICY.

11 ~~(2)~~ ~~(3)~~ (4) THE STATE HEALTH SERVICES COST REVIEW COMMISSION
12 ANNUALLY SHALL SEND A SUMMARY OF EACH STATEMENT SUBMITTED UNDER
13 PARAGRAPH (1) OF THIS SUBSECTION TO THE GOVERNOR, THE PRESIDENT OF THE
14 SENATE, AND THE SPEAKER OF THE HOUSE.

15 (M) (1) THE ~~BOARD~~ MEDICAL SYSTEM CORPORATION MAY NOT USE SOLE
16 SOURCE PROCUREMENT UNDER ~~§ 13-107 OF THE STATE FINANCE AND~~
17 ~~PROCUREMENT ARTICLE~~ TO AWARD A CONTRACT TO AN ACTIVE MEMBER OF THE
18 BOARD OF DIRECTORS OR A BUSINESS ENTITY THAT EMPLOYS OR HAS AN
19 AFFILIATION WITH AN ACTIVE MEMBER.

20 (2) THE GOVERNOR SHALL REMOVE A MEMBER FROM THE BOARD OF
21 DIRECTORS WHO HAS BENEFITED FROM A SOLE SOURCE PROCUREMENT.

22 (3) THE MEDICAL SYSTEM CORPORATION MAY NOT PROVIDE A
23 PREFERENCE FOR THE AWARD OF A CONTRACT TO AN ACTIVE MEMBER OF THE
24 BOARD OF DIRECTORS OR A BUSINESS ENTITY THAT EMPLOYS OR HAS AN
25 AFFILIATION WITH AN ACTIVE MEMBER.

26 (N) (1) THE AWARD OF A CONTRACT OR THE MAKING OF A PAYMENT TO A
27 MEMBER OF THE BOARD OF DIRECTORS OR AN ASSOCIATED BUSINESS OF A MEMBER
28 SHALL BE SUBJECT TO THE APPROVAL OF THE FULL BOARD OF DIRECTORS.

29 (2) BEFORE THE MEDICAL SYSTEM CORPORATION AWARDS A
30 CONTRACT OR MAKES A PAYMENT TO A MEMBER OF THE BOARD OF DIRECTORS, THE
31 COMPLIANCE OFFICER SHALL:

32 (I) REVIEW THE CONTRACT OR PAYMENT AND ADVISE THE
33 MEMBER OF THE BOARD OF DIRECTORS AS TO WHETHER THE CONTRACT OR
34 PAYMENT IS APPROPRIATE AND CONSISTENT WITH THE POLICIES OF THE MEDICAL
35 SYSTEM CORPORATION; AND

1 (II) MAKE A RECOMMENDATION TO THE BOARD OF DIRECTORS
 2 AS TO WHETHER THE CONTRACT OR PAYMENT SHOULD BE APPROVED OR
 3 DISAPPROVED BY THE BOARD.

4 (O) (1) THE BOARD OF DIRECTORS SHALL DEVELOP A POLICY
 5 GOVERNING CONTRACTS WITH AND PAYMENTS TO A MEMBER OF THE BOARD OF
 6 DIRECTORS OR MEMBERS OF THE BOARD OF DIRECTORS OF HOSPITALS AFFILIATED
 7 WITH THE MEDICAL SYSTEM CORPORATION BY:

8 (I) THE MEDICAL SYSTEM CORPORATION; OR

9 (II) THE AFFILIATED HOSPITAL.

10 (2) ON OR BEFORE DECEMBER 1 EACH YEAR, THE BOARD OF
 11 DIRECTORS SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE
 12 WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE PRESIDENT OF THE
 13 SENATE, THE SPEAKER OF THE HOUSE, THE JOINT AUDIT COMMITTEE, THE SENATE
 14 FINANCE COMMITTEE, AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS
 15 COMMITTEE ON:

16 (I) THE POLICY ADOPTED UNDER PARAGRAPH (1) OF THIS
 17 SUBSECTION; AND

18 (II) HOW THE BOARD OF DIRECTORS HAS ENSURED
 19 COMPLIANCE WITH THE POLICY BY THE AFFILIATED HOSPITALS AND THE MEMBERS
 20 OF THE BOARD OF DIRECTORS OF THE AFFILIATED HOSPITALS.

21 [(k)] ~~(N)~~ (P) The Chairman of the Board of Directors shall appoint
 22 representatives from the community naturally served by the medical system having
 23 interest in the services of the medical system to 3-year terms as members of a Community
 24 Advisory Council. The Board of Directors shall designate at least one of its members to
 25 meet with the Community Advisory Council and advise the Community Advisory Council
 26 of matters of potential interest. Recommendations of this Community Advisory Council
 27 concerning services offered by the Medical System Corporation and its community
 28 relationships shall be considered by the Board of Directors.

29 SECTION 2. AND BE IT FURTHER ENACTED, That:

30 (a) (1) ~~On~~ Subject to paragraph (3) of this subsection, on or before May 15,
 31 2019, the University of Maryland Medical System Corporation shall ~~employ an~~
 32 ~~independent certified public accountant licensed to practice in the State entity with~~
 33 ~~expertise in nonprofit corporate governance~~ competitively bid for a certified public
 34 accounting firm to conduct a performance audit of the administrative and financial offices
 35 of the University of Maryland Medical System Corporation to evaluate the efficiency and

1 effectiveness of the financial management practices, including procurement and
2 contracting processes, of the University of Maryland Medical System Corporation.

3 (2) The performance audit required under paragraph (1) of this subsection
4 does not include ~~the administrative and financial offices of the University of Maryland~~
5 ~~Medical System or~~ any subsidiaries or affiliated hospitals of the University of Maryland
6 Medical System Corporation.

7 (3) (i) A certified public accounting firm that provides services to the
8 Medical System Corporation or an affiliated hospital is not eligible to bid on the performance
9 audit contract under paragraph (1) of this subsection.

10 (ii) On the award of the performance audit contract to a certified
11 public accounting firm under paragraph (1) of this subsection and before commencement of
12 the performance audit, the certified public accounting firm shall consult with the Joint Audit
13 Committee and the Office of Legislative Audits in the development of the scope and objectives
14 of the performance audit.

15 (b) (1) On or before December 31, 2019, the University of Maryland Medical
16 System Corporation shall submit a certified copy of the performance audit to the Governor
17 and, in accordance with § 2-1246 of the State Government Article, the President of the
18 Senate and the Speaker of the House.

19 (2) On or before December 31, 2022, the Medical System Corporation shall
20 submit a certified copy of a performance audit conducted during the calendar year 2022 that
21 meets the requirements under subsection (a) of this section to the Governor and, in
22 accordance with § 2-1246 of the State Government Article, the President of the Senate and
23 the Speaker of the House.

24 SECTION 3. AND BE IT FURTHER ENACTED, That:

25 (a) The Office of Legislative Audits shall conduct a forensic audit of the University
26 of Maryland Medical System Corporation for the calendar years 2016 through the effective
27 date of this Act or earlier as deemed appropriate by the Office of Legislative Audits that:

28 (1) identifies all of the members of the Board of Directors of the Medical
29 System Corporation and each member's associated businesses;

30 (2) obtains all disbursement records from the Medical System Corporation;

31 (3) identifies all contracts with or payments to the members of the Board of
32 Directors and a member's associated businesses;

33 (4) identifies the basis for the procurement and the Medical System
34 Corporation official and department that initiated and approved the payment;

1 (5) identifies the procurement method used and tests for propriety of the
 2 procurement, including whether it was conducted in accordance with a formal Medical
 3 System Corporation policy and whether the full Board of Directors approved the contract or
 4 payment;

5 (6) evaluate whether all proper steps were taken and, if a payment or
 6 contract was sole source, whether the rationale was documented and supportable; and

7 (7) evaluate whether the contract or payment made to a member of the
 8 Board of Directors or the member's associated business was monitored effectively to ensure
 9 that all deliverables paid for were provided.

10 (b) (1) On or before December 15, 2019, the Office of Legislative Audits shall
 11 report to the Governor and, in accordance with § 2-1246 of the State Government Article,
 12 the President of the Senate, the Speaker of the House, the Joint Audit Committee, the Senate
 13 Finance Committee, and the House Health and Government Operations Committee on the
 14 findings of the forensic audit conducted under this section.

15 (2) The report required under paragraph (1) of this subsection shall include
 16 any recommendations by the Office of Legislative Audits regarding how best to evaluate the
 17 procurement and contracting processes and any contracts with and payments to University
 18 of Maryland Medical System affiliated hospitals and members of the Board of Directors of
 19 the Medical System Corporation or the members of the boards of directors of the affiliated
 20 hospitals.

21 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That ~~the~~:

22 (a) The Board of Directors of the University of Maryland Medical System
 23 Corporation shall:

24 (1) conduct an internal review of the Board's policies and procedures,
 25 including policies for enforcing statutory limits on consecutive terms of appointment for
 26 members and continued service after the expiration of a member's term; and

27 (2) on or before December 31, 2019, report the findings and any
 28 recommendations for improvements to the policies and procedures of the Board to the
 29 Governor and, in accordance with § 2-1246 of the State Government Article, the President
 30 of the Senate ~~and~~, the Speaker of the House, and the Office of Legislative Audits.

31 (b) The Office of Legislative Audits shall review and comment on the report
 32 submitted under subsection (a) of this section to the Joint Audit Committee, the Senate
 33 Finance Committee, and the House Health and Government Operations Committee.

34 ~~SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding the~~
 35 ~~provisions of § 13-304 of the Education Article as enacted by Section 1 of this Act, it is the~~
 36 ~~intent of the General Assembly that the members of the Board of Directors of the University~~

1 ~~of Maryland Medical System Corporation who are in office on the effective date of this Act~~
 2 ~~shall serve for the full term for which the member was appointed.~~

3 SECTION 4, 5. AND BE IT FURTHER ENACTED, That:

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

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

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

11 (1) *the appointment of approximately one-third of the members of the Board*
 12 *shall end on July 1, 2019;*

13 (2) *the appointment of approximately one-third of the members of the Board*
 14 *shall end on October 1, 2019; and*

15 (3) *the appointment of the remaining members of the Board shall end on*
 16 *January 1, 2020.*

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

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

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

26 (4) A new member appointed under this subsection shall be considered
 27 appointed to fill a vacancy and shall serve for the remainder of the term of the member who
 28 was not reappointed under this subsection.

29 SECTION 6. AND BE IT FURTHER ENACTED, That the terms of the members
 30 appointed to the Board of Directors of the University of Maryland Medical System
 31 Corporation under § 13-304(c)(4) and (5) of the Education Article as enacted by Section 1 of
 32 this Act:

33 (1) *shall be for a term of 5 years from the date of appointment; and*

1 (2) may be reappointed but may not serve more than two consecutive 5-year
2 terms.

3 SECTION ~~5~~ 7. AND BE IT FURTHER ENACTED, That this Act is an emergency
4 measure, is necessary for the immediate preservation of the public health or safety, has
5 been passed by a yea and nay vote supported by three-fifths of all the members elected to
6 each of the two Houses of the General Assembly, and shall take effect from the date it is
7 enacted.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.