

House Bill 1113 - State Finance & Procurement - Procurement Improvement Council - Required Use of eMaryland Marketplace

Position: Oppose
March 10, 2020
House Health & Government Operations Committee

MHA Position

Maryland's 61 nonprofit hospitals and health systems care for more than 5 million people each year, treating 2.3 million in emergency departments and delivering more than 67,000 babies. The 108,000 people they employ are <u>caring for Maryland</u> around-the-clock every day—delivering leading edge, high-quality medical service and investing a combined \$1.75 billion in their communities, expanding access to housing, education, transportation, and food.

The Maryland Hospital Association (MHA) thanks the bill sponsor for the continued dialogue on the issue of hospital procurement; however, Maryland's hospitals respectfully oppose HB 1113.

Every hospital in Maryland is a private not-for-profit organization. HB 1113 would make Maryland hospitals the only private organizations in the state required to use eMaryland Marketplace for every procurement need. Hospitals are unique organizations that serve patients 24 hours a day, seven days a week. As such, these important institutions have special needs for procurement due to the highly specialized and clinical nature. The procurement of surgical supplies and services in support of patient care is an essential component in ensuring hospitals run efficiently and deliver life-saving care.

Although Maryland hospitals seek to expand the vendors they rely on for various procurement opportunities, a one-size-fits-all approach would be inappropriate for institutions that must be ready at all times to respond to public health emergencies or disasters. In some cases, hospitals must accelerate their procurement processes for emergent needs such as blood or, most recently, personal protective equipment during a public health emergency, such as coronavirus.

MHA looks forward to continuing the conversation with the sponsor on this issue but believes mandating hospitals to use eMaryland Marketplace for procurement needs is not appropriate for private, highly specialized organizations.

For these reasons, we urge an *unfavorable* report.

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