BARRY GLASSMAN HARFORD COUNTY EXECUTIVE

BILLY BONIFACE DIRECTOR OF ADMINISTRATION



LEONARD PARRISH DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT

March 02, 2020

The Honorable Anne R. Kaiser Chair, House Ways and Means Committee Room 131, Taylor House Office Building Annapolis, MD 21401

RE: HB 1277 - University of Maryland - Harford Memorial Hospital Closure - Economic Impact Study - OPPOSE

Dear Madam Chair and Members of the Committee:

Thank you for the opportunity to submit our comments on behalf of Harford County Office of Community and Economic Development. With this correspondence, we respectfully note our concerns with HB 1277, "University of Maryland – Harford Memorial Hospital Closure – Economic Impact Study" and, for the reasons noted below, respectfully request an UNFAVORABLE Report on this Bill by the House Ways and Means Committee.

As presented, this legislation would require the University of Maryland Institute for Governmental Service and Research to conduct a study on the economic impact of the closure of Harford Memorial Hospital and the subsequent transfer of its services to another campus under the University of Maryland Upper Chesapeake Health System. The institute must quantify the economic impact the closure will have on the City of Havre de Grace and develop a revitalization plan for the city. By December 1, 2020, the institute must report its findings to the General Assembly.

The University of Maryland Upper Chesapeake Health System ("Upper Chesapeake"), Harford County's largest private-sector employer, has consistently evidenced a strong commitment to Harford County and its residents. With the rapid growth of the County's population, Upper Chesapeake has tirelessly worked to provide the most comprehensive and state-of-the-art medical services. Part of that effort to provide those services has included the decision to phase out an obsolete facility that cannot cost-effectively be renovated to meet the ever-changing technology advancements available. The new facility, which will be located approximately 5 miles away from where Harford Memorial Hospital sits, will permit the highest technological health care services and equipment to be available to our residents in the eastern portion of our County. With the growth of Harford County's workforce and residential population, capacity at Upper Chesapeake has become strained.

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As the director of Economic Development, I celebrate the \$13 million in wages and \$39.5 million in economic activity we expect the new facility to generate.

As the director of our Community Development division, I also celebrate the long history of Upper Chesapeake's commitment to our community. They are a friend to Havre de Grace and to all of Harford County; they reinvest into the community, including almost \$6 million per year in charity care and \$17 million in total community benefit activities per year. I have witnessed their continuing dedication to achieving the best possible outcome for Havre de Grace and all the County. I have no doubt their commitment will continue, throughout this project and into the future.

Our concerns with this proposed legislation is several-fold. Given the aforementioned need to move forward with the necessary technological and medical service upgrades, <u>any</u> delay that may result from the requirements of this legislation serve no good to the citizens of Harford County.

Additionally, a troublesome precedent could be set with passage of HB 1277. Passage of this bill could very easily blaze a trail for the requirement that whenever any private-sector employer makes a reasoned business decision similar to that made here by the University of Maryland Health System, a legislative mandate could demand a similar taxpayer-funded study.

In this instant matter, this is a decision best left to the business entity, working in concert with the appropriate state and local governmental agencies (as is underway now) – not a legislative mandate.

For the reasons noted above, we would respectfully request an **UNFAVORABLE** Report on HB 1277.

Sincerely,

Leonard Parrish

Director, Harford County Office of Community and Economic Development