JOSELINE A. PEÑA-MELNYK

Legislative District 21
Prince George's and
Anne Arundel Counties

Vice Chair
Health and Government
Operations Committee

Subcommittees
Government Operations and
Long Term Care

Chair, Public Health and Minority Health Disparities



The Maryland House of Delegates Annapolis, Maryland 21401

Annapolis Office
The Maryland House of Delegates
6 Bladen Street, Room 241
Annapolis, Maryland 21401
410-841-3502 · 301-858-3502
800-492-7122 Ext. 3502
Fax 410-841-3409 · 301-858-3409
Joseline.Pena.Melnyk@house.state.md.us

District Office
P. O. Box 1251
College Park, Maryland 2074I-125I

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House Bill 1571 – Hospitals – Changes in Status – Hospital Employee Retraining and Placement

House Health and Government Operations Committee

SPONSOR TESTIMONY: Delegate Joseline Peña-Melnyk (SUPPORT, as amended)

Madame Chair and members of the House Health and Government Operations Committee, thank you for the opportunity to present House Bill 1571, which provides funding sources for the Hospital Employee Retraining Fund and establishes parameters for the management and disbursement of that fund.

As the State's health care system is being transformed to reflect new technologies and policies, a significant number of hospital employees are being affected by the closing, delicensing, downsizing, or merger of hospitals. The Hospital Employees Retraining Fund was established in 1985 for the purpose of retraining hospital employees who become unemployed or face the possibility of unemployment because of such events. Through the use of this fund, displaced workers will be able to replace their outdated and obsolete skills with skills reflecting the latest technology, skills that are in higher demand.

HB 1571 will require each hospital regulated by the Health Services Cost Review Commission to pay a small percentage of its prior year total revenue to the Department of Labor, which in turn will place the receipts into the Hospital Employees Retraining Fund. If due to circumstances the fund is depleted, hospitals will pay an additional amount into the fund to cover shortages.

The Department of Labor is mandated to provide a program for retraining of displaced hospital workers. HB 1571 adds to this mandate assistance in job-seeking and placement of these workers.

HB 1571 - SPONSOR TESTIMONY: Delegate Joseline Peña-Melnyk

Page two

House Bill 1571 also requires the Department of Labor in conjunction with HSCRC to report to the Senate Finance Committee and the House Health and Government Operations Committee certain information related to the implementation and ongoing operation of the Fund. The amendment aligns language previously agreed upon by stakeholders and which did not appear in the published bill.

Maintaining a state-of-the-art health care work force is critical if to our ability our continued ability to provide the highest quality health care to our constituents. Please support this goal with a favorable report on House Bill 1571.