

GEORGE C. EDWARDS
1st Legislative District
Garrett, Allegany, and Washington Counties


Budget and Taxation Committee



The Senate of Maryland
ANNAPOLIS, MARYLAND 21401

MEMORANDUM

TO: Delegate Shane E. Pendergrass
House Health and Government Operations

FROM: Senator George C. Edwards 

DATE: March 29, 2022

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As the only Senator representing Garrett County, I support the passage of **SB978 – Garrett County Memorial Hospital – Lease Authorization and Alterations to Board of Governors.**

Thank you.

GARRETT REGIONAL MEDICAL CENTER

A PROUD AFFILIATE OF



March 17, 2022

Senator George C. Edwards
Maryland General Assembly
Senate Education, Health and Environmental Affairs Committee
2 West
Miller Senate Office Building
Annapolis, MD 21401

Re: Senate Bill 978/House Bill 1471– Garrett County Memorial Hospital – Lease Authorization and Alterations to Board of Governors – Support

Dear Senator Edwards:

I serve as the Chairman of the Board of Governors of Garrett County Memorial Hospital (the “Board”) and am writing to express support for Senate Bill 978, which would add to The Public Local Laws of Garrett County a new Section 36.10 of Article 12 of the Public Local Laws of Maryland to clarify the authority of the Board to consummate certain transactions, including the lease of the operation of Garrett County Memorial Hospital (the “Hospital”) and related actions in furtherance of such lease, including leasing real estate and existing facilities, transferring title to and possession of tangible and intangible property, and transferring membership or equity interests in the Hospital’s subsidiary and/or affiliated entities as reasonably necessary (collectively, the “Lease”). The Lessee under the Lease is GRMC, Inc. (“GRMC”), a Maryland nonprofit corporation which is a new operating entity formed as a wholly owned subsidiary of West Virginia United Health System, Inc. (“WVUHS”). The Board of County Commissioners of Garrett County (the “Commissioners”) would also be a party to the Lease as co-Lessor.

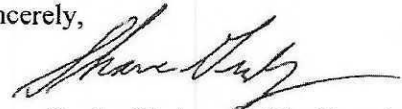
The Board and Commissioners have been engaged in a process of long-term strategic planning to ensure the continued financial and operational stability of the Hospital and have determined that it is in the best interest of the residents of Garrett County and the surrounding area to enter into and consummate the Lease. The Lease requires important commitments from WVUHS to support and make investments in the Hospital and positions the Hospital for stability in an evolving rural healthcare landscape. The parties have determined that consummation of the Lease will allow the Hospital to utilize WVUHS’s size, infrastructure and operational efficiencies for the benefit of the residents of the County and the surrounding communities.

Periodically during the negotiation of the Lease with WVUHS, Hospital senior management led by Mark Boucot, the CEO of the Hospital, hosted town halls apprising the employees and Medical Staff of the Hospital of the status of the Lease negotiations. Explanations of the Lease process and terms of the Lease were posted to the Hospital’s public-facing web page, which included responses to public questions. Additionally, representatives of the Board and Hospital senior management, along with representatives of WVUHS, held public forums explaining the Lease and responding to public questions. Subsequently, the Board unanimously approved the Lease.

The Board has determined that this legislation is necessary to proceed with consummation of the Lease. As such, if Senate Bill 978 does not become law in a form that definitively authorizes the Board to consummate the Lease during the current legislative session, the Lease will not be consummated and would likely be delayed until authorizing legislation could be passed, during which time the parties would not be bound to consummate the Lease.

I hope that the Senate Education, Health and Environmental Affairs Committee will support Senate Bill 978. Please do not hesitate to contact me if you have any questions.

Sincerely,



Shane Grady, Chairman of the Board of
Governors of Garret County Memorial
Hospital

Gorman E. Getty, III, P.A.

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March 9, 2022

Senator George C. Edwards
Maryland General Assembly
Senate Education, Health and Environmental Affairs Committee
2 West
Miller Senate Office Building
Annapolis, MD 21401

Re: Senate Bill 978 – Support

Dear Senator Edwards:

I serve as the County Attorney for Garrett County, Maryland, and am writing on behalf of the Board of County Commissioners of Garrett County (the “County”) to express support for Senate Bill 978.

As a result of the foresight and generosity of the late George W. Loar, the County owns the Garrett County Memorial Hospital (the “Hospital”). The County’s ownership of the real property, and ownership and management of the operating assets of the Hospital by the Board of Governors of the Hospital (the “Board”), is set forth in Chapter 36 of Garrett County Code which appears as Article 12 of the Public Local Laws of Maryland. Senate Bill 978, as proposed, seeks to clarify the authority of the Board and the County to enter into transactions, including the lease of the Hospital and its operation (the “Lease”), to GRMC, Inc. (“GRMC”), a Maryland nonprofit corporation which is a new operating entity formed as a wholly-owned subsidiary of West Virginia United Health System, Inc. (“WVUHS”).

The Board and the County have been engaged in a process of long-term strategic planning to ensure the continued financial and operational stability of the Hospital and have determined that it is in the best interest of the County, its residents, and the residents of the surrounding area, to enter into and consummate the transactions and the Lease. The Lease requires important commitments from WVUHS to support and make investments in the Hospital and positions the Hospital so that it may maintain its stability in an evolving rural healthcare landscape. The parties have determined that consummation of the Lease will allow the Hospital to utilize WVUHS’s size, infrastructure, and operational efficiencies for the benefit of the County, its residents, and the surrounding communities.

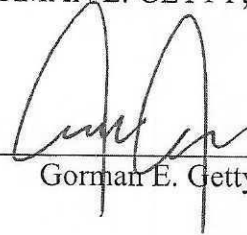
Senator George C. Edwards
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The Board and the County have determined that this legislation is necessary to proceed with consummation of the Lease. If Senate Bill 978 does not become law in a form that definitively authorizes the Board to consummate the Lease during the current legislative session, the Lease will not be consummated, and the transaction would likely be delayed for a year or more until authorizing legislation could be passed. We are asking for the Committee and the Legislature's support to avoid any delay in the efforts of the County and the Board to secure the future of high-quality health care in Garrett County.

I hope that the Senate Education, Health and Environmental Affairs Committee will support Senate Bill 978. Please do not hesitate to contact me if you have any questions.

Very truly yours,
GORMAN E. GETTY, III, P.A.

By



Gorman E. Getty, III

GEG/vas