

Subcommittees



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of House Bill 498

Certificate of Need - Intermediate Health Care Facilities

Madam Chair Bagnall and fellow members of the House Health Committee, thank you for this opportunity to present **HB 498 – Certificate of Need - Intermediate Health Care Facilities**. This legislation gives Maryland the balance we need between oversight and expanded access to care in an area of critical health care. The goal is to protect patients while responsibly expanding access to high-acuity substance use disorder treatment.

The bill addresses the need for facilities that include ASAM Level 3.7 inpatient treatment beds with 24-hour nursing care and physician supervised addiction treatment. Across Maryland we continue to face high demand for high-acuity substance use disorder treatment. Our capacity is limited and our need is persistent, and in some areas, growing, and these beds are so critically important to help patients get the supportive, specialized, and highly supervised behavioral and medical attention they need. We need these beds under the right oversight, so we know we are protecting patient safety, quality of care, and accountability. HB 498 delivers that balance – helping us expand our treatment capacity for psychiatric care across Maryland in a safe, clinically sound, and accountable way.

The patients who need these beds, and this type of behavioral and medical care, and are highly medically complex – they are vulnerable and facing a moment in their lives when they need the most attentive, clinically responsive care we can give.

Maryland has large and diverse counties, and some of our regions – Prince George’s County, Baltimore City, and some of our more rural areas, see high pressure on these Level 3.7 services, with patients transitioning from emergency departments, inpatient hospitals, and the justice system. That makes how capacity expands just as important as whether it expands — especially for medically complex patients who require appropriate staffing, space, and clinical oversight. HB 498 ensures that when new Level 3.7 beds come online to provide care to our residents, that those beds are safe, appropriately staffed, and aligned with community need.

Under current law, a Certificate of Need is required to establish a Level 3.7 facility—but no review is required when existing facilities expand bed capacity. That gap in oversight has

allowed facilities to triple capacity after CON approval, without any review of staffing, space, or patient safety impacts. In some cases, facilities have added beds to existing rooms without changing the physical environment, which has led to multiple beds in a single room. Unregulated capacity expansion can undermine clinical effectiveness, increase safety risks, and strain staffing ratios. This can compromise patient safety and care quality, driving up risks of violence, suicide, and injury. It can put the health care workforce in danger, patients in danger, and ultimately risk those successful treatment outcomes and a strong, resilient health care workforce that our communities so desperately need.

Recent investigative reporting has highlighted the need for both more treatment capacity and stronger oversight—HB 498 does both. **Simply stated, this bill reestablishes MHCC approval before a Level 3.7 facility can add beds. It creates a streamlined, expedited public interest review, not a full Certificate of Need process.**

Under this bill facilities would need to demonstrate they they're complying with our State Health Plan standards – that they have appropriate staffing, accreditation, admission and treatment protocols. That their physical space is configured correctly so that they are serving medically underserved patients who have no other place to seek care.

There are protections for access--our regulators, the Maryland Health Care Commission, must decide within **45 days**, and competitors cannot intervene. This bill fundamentally **closes a loophole** in our current regulatory oversight process while providing a **faster, clearer pathway** for both new facilities and responsible expansion.

Maryland families deserve **safe, high-quality, and accountable** SUD treatment options. HB 498 ensures that growth in capacity reflects **actual community need**, not just financial opportunity. It gives MHCC the tools to oversee availability **without discouraging providers from entering the market**. We want – we NEED – this growth and expansion in our treatment capacity. But we must be responsible for the health and safety of Marylanders. HB 498 strikes the right balance: **more access, better oversight, and stronger protections for patients**.

For those reasons, I strongly support HB 498 and ask for a favorable report. Thank you very much for your consideration.