
By: **Delegates Hammen and Taylor**
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CHAPTER _____

1 AN ACT concerning

2 **Hospital Capacity and Cost Containment Act**

3 FOR the purpose of providing that a certificate of need is not required before an
4 existing or previously approved, but unbuilt, health care facility is moved to
5 another site under certain circumstances; specifying that a certificate of need is
6 not required for changing the type or scope of health care services under certain
7 circumstances and for the reallocation of existing bed capacity under certain
8 circumstances; increasing the capital expenditure limit for when a health care
9 facility is required to obtain a certificate of need under certain circumstances;
10 repealing the requirement that certain health facilities do not need a certificate
11 of need when increasing or decreasing bed capacity under certain circumstances;
12 altering the requirements for when certain hospitals may close under certain
13 circumstances; establishing the classification of ~~critical access limited service~~
14 hospitals for certain health care facilities; ~~establishing certain operating~~
15 standards for critical access hospitals requiring the Secretary of Health and
16 Mental Hygiene to adopt certain regulations; requiring the Secretary of the
17 Department of Health and Mental Hygiene to make certain calculations relating
18 to certain hospital's licensed bed capacity and to delicense certain excess beds by
19 a certain date; requiring certain hospitals to include certain information in a
20 certain report to the Health Services Cost Review Commission; altering certain
21 notice requirements for when a person proposes to close or delicense certain
22 hospitals; requiring certain notice requirements for when a person proposes to
23 convert certain hospitals; altering the Maryland Hospital Bond Program to
24 permit the Health Services Cost Review Commission to provide for the payment
25 of all or any portion of the closing costs for certain hospitals that convert ~~to a~~
26 critical access hospital under certain circumstances; altering the Maryland
27 Hospital Bond Program to clarify the method used for determining a hospital's
28 bond indebtedness that will be included in the Program; authorizing the

1 Maryland Health and Higher Educational Facilities Authority to proceed
 2 against certain entities under certain circumstances; requiring the Maryland
 3 Institute for Emergency Medical Services System to develop certain protocols;
 4 repealing certain obsolete provisions requiring the Secretary to conduct a
 5 certain study; making certain technical and stylistic changes; defining certain
 6 terms; altering certain definitions; and generally relating to hospital capacity
 7 and cost containment.

8 BY repealing and reenacting, with amendments,
 9 Article - Health - General
 10 Section 19-101(f), 19-115, 19-201, ~~19-221~~, 19-301, and 19-307(a)
 11 Annotated Code of Maryland
 12 (1996 Replacement Volume and 1998 Supplement)

13 BY adding to
 14 Article - Health - General
 15 Section 19-307.1 and 19-307.2
 16 Annotated Code of Maryland
 17 (1996 Replacement Volume and 1998 Supplement)

18 ~~BY repealing and reenacting, without amendments,~~
 19 ~~Article - Health - General~~
 20 ~~Section 19-3A-01 through 19-3A-06 and the subtitle "Subtitle 3A-~~
 21 ~~Freestanding Medical Facilities"~~
 22 ~~Annotated Code of Maryland~~
 23 ~~(1996 Replacement Volume and 1998 Supplement)~~

24 BY repealing and reenacting, with amendments,
 25 Article 43C - Maryland Health and Higher Education Facilities Authority
 26 Section 16A
 27 Annotated Code of Maryland
 28 (1998 Replacement Volume)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 30 MARYLAND, That the Laws of Maryland read as follows:

31 **Article - Health - General**

32 19-101.

33 (f) (1) "Health care facility" means:

34 (i) A hospital, as defined in § 19-301(G) of this title;

35 (II) A LIMITED SERVICE HOSPITAL, AS DEFINED IN § 19-301(E) OF

36 THIS TITLE;

- 1 [(ii)] (III) A related institution, as defined in § 19-301 of this title;
- 2 [(iii)] (IV) An ambulatory surgical facility;
- 3 [(iv)] (V) An inpatient facility that is organized primarily to help
 4 in the rehabilitation of disabled individuals, through an integrated program of
 5 medical and other services provided under competent professional supervision;
- 6 [(v)] (VI) A home health agency, as defined in § 19-401 of this title;
- 7 [(vi)] (VII) A hospice, as defined in § 19-901 of this title; and
- 8 [(vii)] (VIII) Any other health institution, service, or program for
 9 which Part I of this subtitle requires a certificate of need.
- 10 (2) "Health care facility" does not include:
- 11 (i) A hospital or related institution that is operated, or is listed and
 12 certified, by the First Church of Christ Scientist, Boston, Massachusetts;
- 13 (ii) For the purpose of providing an exemption from a certificate of
 14 need under § 19-115 of this subtitle, a facility to provide comprehensive care
 15 constructed by a provider of continuing care, as defined by Article 70B of the Code, if:
- 16 1. The facility is for the exclusive use of the provider's
 17 subscribers who have executed continuing care agreements for the purpose of
 18 utilizing independent living units or domiciliary care within the continuing care
 19 facility;
- 20 2. The number of comprehensive care nursing beds in the
 21 facility does not exceed 20 percent of the number of independent living units at the
 22 continuing care community; and
- 23 3. The facility is located on the campus of the continuing care
 24 facility;
- 25 (iii) Except for a facility to provide kidney transplant services or
 26 programs, a kidney disease treatment facility, as defined by rule or regulation of the
 27 United States Department of Health and Human Services;
- 28 (iv) Except for kidney transplant services or programs, the kidney
 29 disease treatment stations and services provided by or on behalf of a hospital or
 30 related institution; or
- 31 (v) The office of one or more individuals licensed to practice
 32 dentistry under Title 4 of the Health Occupations Article, for the purposes of
 33 practicing dentistry.
- 34 19-115.
- 35 (a) (1) In this section the following words have the meanings indicated.

1 (2) "~~CRITICAL ACCESS LIMITED SERVICE~~ HOSPITAL" MEANS A HEALTH
2 CARE FACILITY THAT:

3 (I) IS LICENSED AS A HOSPITAL ON OR AFTER JANUARY 1, 1999;

4 (II) CHANGES THE TYPE OR SCOPE OF HEALTH CARE SERVICES
5 OFFERED BY ELIMINATING THE FACILITY'S CAPABILITY TO ADMIT OR RETAIN
6 PATIENTS FOR OVERNIGHT ACUTE CARE HOSPITALIZATION;

7 (III) RETAINS AN EMERGENCY ~~DEPARTMENT~~ OR URGENT CARE
8 CENTER; AND

9 (IV) COMPLIES WITH THE ~~OPERATING STANDARDS PROVIDED IN~~
10 REGULATIONS ADOPTED BY THE SECRETARY UNDER § 19-307.1 OF THIS TITLE.

11 [(2)] (3) (I) "Health care service" means any [clinically-related]
12 CLINICALLY RELATED patient service [including].

13 (II) "HEALTH CARE SERVICE" INCLUDES a medical service [under
14 paragraph (3) of this subsection].

15 [(3)] (4) "Medical service" means:

16 (i) Any of the following categories of health care services:

17 1. Medicine, surgery, gynecology, addictions;

18 2. Obstetrics;

19 3. Pediatrics;

20 4. Psychiatry;

21 5. Rehabilitation;

22 6. Chronic care;

23 7. Comprehensive care;

24 8. Extended care;

25 9. Intermediate care; or

26 10. Residential treatment; or

27 (ii) Any subcategory of the rehabilitation, psychiatry,
28 comprehensive care, or intermediate care categories of health care services for which
29 need is projected in the State health plan.

30 (5) "~~PRIMARY SERVICE AREA~~" MEANS:

~~(I) THE STATE POSTAL ZIP CODES FROM WHICH THE FIRST 60 PERCENT OF A HOSPITAL'S PATIENT DISCHARGE ORIGINATE DURING THE MOST RECENT 12 MONTH PERIOD, WHERE THE DISCHARGES FROM EACH ZIP CODE ARE ORDERED FROM LARGEST TO SMALLEST NUMBER OF DISCHARGES;~~

~~(II) POINT ZIP CODES PHYSICALLY WITHIN ANY OF THE ZIP CODES DESIGNATED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH;~~

~~(III) THE STATE ZIP CODES PHYSICALLY CONTIGUOUS TO ANY ZIP CODES DESIGNATED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH THAT PROVIDED 50 PERCENT OR MORE OF THE DISCHARGE TO THE HOSPITAL IN THE MOST RECENT 12 MONTH PERIOD; AND~~

~~(IV) FOR A MERGED ASSET SYSTEM, THE ZIP CODES ARE TABULATED SEPARATELY FOR EACH HOSPITAL, AND ALL ZIP CODES IDENTIFIED FOR EITHER ARE INCLUDED IN THE PRIMARY SERVICE AREA OF THE MERGED ASSET SYSTEM.~~

(b) The Commission may set an application fee for a certificate of need for HEALTH CARE facilities not assessed a user fee under § 19-122 of this subtitle.

(c) The Commission shall adopt rules and regulations for applying for and issuing certificates of need.

(d) [(1)] The Commission may adopt, after October 1, 1983, new thresholds or methods for determining the circumstances or minimum cost requirements under which a certificate of need application must be filed. [The Commission shall study alternative approaches and recommend alternatives that will streamline the current process, and provide incentives for management flexibility through the reduction of instances in which applicants must file for a certificate of need.

(2) The Commission shall conduct this study and report to the General Assembly by October 1, 1985.]

(e) (1) A person shall have a certificate of need issued by the Commission before the person develops, operates, or participates in any of the following health care projects for which a certificate of need is required under this section.

(2) A certificate of need issued prior to January 13, 1987 may not be rendered wholly or partially invalid solely because certain conditions have been imposed, if an appeal concerning the certificate of need, challenging the power of the Commission to impose certain conditions on a certificate of need, has not been noted by an aggrieved party before January 13, 1987.

(f) Except as provided in subsection (g)(2)(iii) of this section, a certificate of need is required before a new health care facility is built, developed, or established.

(g) (1) A certificate of need is required before an existing or previously approved, but unbuilt, health care facility is moved to another site.

1 (2) This subsection does not apply if:

2 (i) The Commission adopts limits for relocations and the proposed
3 relocation does not exceed those limits;

4 (ii) The relocation is the result of a partial or complete replacement
5 of an existing hospital or related institution, as defined in § 19-301 of this title, and
6 the relocation is to another part of the site or immediately adjacent to the site of the
7 existing hospital or related institution; [or]

8 ~~(iii) 1. THE RELOCATION IS TO:~~

9 ~~A. ANOTHER AREA ON OR IMMEDIATELY ADJACENT TO THE~~
10 ~~SITE OF THE EXISTING HOSPITAL OR RELATED INSTITUTION; OR~~

11 ~~B. A SITE WITHIN THE PRIMARY SERVICE AREA OF THE~~
12 ~~EXISTING HOSPITAL OR RELATED INSTITUTION; AND~~

13 ~~2. AT LEAST 45 DAYS PRIOR TO THE RELOCATION, NOTICE OF~~
14 ~~THE PROPOSED RELOCATION IS FILED WITH THE COMMISSION; OR~~

15 (iii) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (I) AND (J) OF
16 THIS SECTION, THE RELOCATION IS OF AN EXISTING HEALTH CARE FACILITY OWNED
17 OR CONTROLLED BY A MERGED ASSET SYSTEM AND IS TO:

18 1. A SITE WITHIN THE PRIMARY SERVICE AREA OF THE
19 HEALTH CARE FACILITY TO BE RELOCATED IF:

20 A. THE PROPOSED RELOCATION IS NOT ACROSS COUNTY
21 BOUNDARIES; AND

22 B. AT LEAST 45 DAYS PRIOR TO THE PROPOSED RELOCATION
23 NOTICE IS FILED WITH THE COMMISSION; OR

24 2. A SITE OUTSIDE THE PRIMARY SERVICE AREA OF THE
25 HEALTH CARE FACILITY TO BE RELOCATED BUT WITHIN THE PRIMARY SERVICE
26 AREA OF THE MERGED ASSET SYSTEM IF:

27 A. AT LEAST 45 DAYS PRIOR TO THE PROPOSED RELOCATION
28 NOTICE IS FILED WITH THE COMMISSION; AND

29 B. THE COMMISSION IN ITS SOLE DISCRETION, AND IN
30 ACCORDANCE WITH THE CRITERIA ADOPTED BY REGULATION, FINDS THAT THE
31 RELOCATION IS IN THE PUBLIC INTEREST, IS NOT INCONSISTENT WITH THE STATE
32 HEALTH PLAN, AND WILL RESULT IN THE MORE EFFICIENT AND EFFECTIVE
33 DELIVERY OF HEALTH CARE SERVICES; OR

34 [(iii)] (IV) The relocation involves moving a portion of a complement
35 of comprehensive care beds previously approved by the Commission after January 1,

1 1995 for use in a proposed new related institution, as defined in § 19-301 of this title,
2 but unbuilt on October 1, 1998 if:

3 1. The comprehensive care beds that were originally
4 approved by the Commission in a prior certificate of need review were approved for
5 use in a proposed new related institution to be located in a municipal corporation
6 within Carroll County in which a related institution is not located;

7 2. The comprehensive care beds being relocated will be used
8 to establish an additional new related institution that is located in another municipal
9 corporation within Carroll County in which a related institution is not located;

10 3. The comprehensive care beds not being relocated are
11 intended to be used to establish a related institution on the original site; and

12 4. Both the previously approved comprehensive care beds for
13 use on the original site and the relocated comprehensive care beds for use on the new
14 site will be used as components of single buildings on each site that also offer
15 independent or assisted living residential units.

16 (3) Notwithstanding any other provision of this subtitle, a certificate of
17 need is not required for a relocation described under paragraph [(2)(iii)] (2) (IV) of this
18 subsection.

19 (h) (1) A certificate of need is required before the bed capacity of a health
20 care facility is changed.

21 (2) This subsection does not apply to any increase or decrease in bed
22 capacity if:

23 (i) [During] FOR A HEALTH CARE FACILITY THAT IS NOT A
24 HOSPITAL, DURING a 2-year period the increase or decrease would not exceed the
25 lesser of 10 percent of the total bed capacity or 10 beds;

26 (ii) 1. The increase or decrease would change the bed capacity
27 for an existing medical service; and

28 2. A. The change would not increase total bed capacity;

29 B. The change is maintained for at least a 1-year period; and

30 C. At least 45 days prior to the change the hospital provides
31 written notice to the Commission describing the change and providing an updated
32 inventory of the hospital's licensed bed complement; [or]

33 (iii) 1. At least 45 days before increasing or decreasing bed
34 capacity, written notice of intent to change bed capacity is filed with the Commission;
35 [and]

- 1 2. The Commission in its sole discretion finds that the
2 proposed change:
- 3 A. Is pursuant to the consolidation or merger of 2 or more
4 health care facilities, or conversion of a health care facility or part of a facility to a
5 nonhealth-related use;
- 6 B. Is not inconsistent with the State health plan or the
7 institution-specific plan developed by the Commission;
- 8 C. Will result in the delivery of more efficient and effective
9 health care services; [and]
- 10 D. Is in the public interest; AND

11 [(3)] 3. Within 45 days of receiving notice, the Commission shall notify
12 the health care facility of its finding; OR

13 (IV) THE INCREASE OR DECREASE IN BED CAPACITY IS THE RESULT
14 OF THE ANNUAL LICENSED BED RECALCULATION PROVIDED UNDER § 19-307 OF THIS
15 TITLE.

16 (I) FOR A HOSPITAL LOCATED IN A COUNTY WITH THREE OR MORE
17 HOSPITALS, A CERTIFICATE OF NEED IS NOT REQUIRED BEFORE THE BED CAPACITY
18 IS INCREASED OR DECREASED IF THE CHANGE:

19 (1) OCCURS ON OR AFTER JULY 1, 2000;

20 (2) IS BETWEEN HOSPITALS IN A MERGED ASSET SYSTEM LOCATED
21 WITHIN THE SAME HEALTH SERVICE AREA;

22 (3) DOES NOT INVOLVE COMPREHENSIVE OR EXTENDED CARE BEDS;
23 AND

24 (4) DOES NOT OCCUR EARLIER THAN 45 DAYS AFTER A NOTICE OF
25 INTENT TO REALLOCATE BED CAPACITY IS FILED WITH THE COMMISSION.

26 [(i)] (J) (1) A certificate of need is required before the type or scope of any
27 health care service is changed if the health care service is offered:

28 (i) By a health care facility;

29 (ii) In space that is leased from a health care facility; or

30 (iii) In space that is on land leased from a health care facility.

31 (2) This subsection does not apply if:

32 (i) The Commission adopts limits for changes in health care
33 services and the proposed change would not exceed those limits;

1 (ii) The proposed change and the annual operating revenue that
 2 would result from the addition is entirely associated with the use of medical
 3 equipment;

4 (iii) The proposed change would establish, increase, or decrease a
 5 health care service and the change would not result in the:

6 1. Establishment of a new medical service or elimination of
 7 an existing medical service;

8 2. Establishment of an open heart surgery, organ transplant
 9 surgery, or burn or neonatal intensive health care service;

10 3. Establishment of a home health program, hospice
 11 program, or freestanding ambulatory surgical center or facility; or

12 4. Expansion of a comprehensive care, extended care,
 13 intermediate care, residential treatment, psychiatry, or rehabilitation medical
 14 service, except for an expansion related to an increase in total bed capacity in
 15 accordance with subsection (h)(2)(i) of this section; or

16 (iv) 1. At least 45 days before increasing or decreasing the
 17 volume of 1 or more health care services, written notice of intent to change the volume
 18 of health care services is filed with the Commission;

19 2. The Commission in its sole discretion finds that the
 20 proposed change:

21 A. Is pursuant to the consolidation or merger of 2 or more
 22 health care facilities, [or] THE conversion of a health care facility or part of a facility
 23 to a nonhealth-related [use;] USE, OR THE CONVERSION OF A HOSPITAL TO A
 24 CRITICAL ACCESS LIMITED SERVICE HOSPITAL OR TO ANOTHER HEALTH-RELATED
 25 USE;

26 B. Is not inconsistent with the State health plan or the
 27 institution-specific plan developed and adopted by the Commission;

28 C. Will result in the delivery of more efficient and effective
 29 health care services; and

30 D. Is in the public interest; and

31 3. Within 45 days of receiving notice under item 1 of this
 32 subparagraph, the Commission shall notify the health care facility of its finding.

33 (3) Notwithstanding the provisions of paragraph (2) of this subsection, a
 34 certificate of need is required:

35 (i) Before an additional home health agency, branch office, or home
 36 health care service is established by an existing health care agency or facility;

1 (ii) Before an existing home health agency or health care facility
2 establishes a home health agency or home health care service at a location in the
3 service area not included under a previous certificate of need or license;

4 (iii) Before a transfer of ownership of any branch office of a home
5 health agency or home health care service of an existing health care facility that
6 separates the ownership of the branch office from the home health agency or home
7 health care service of an existing health care facility which established the branch
8 office; or

9 (iv) Before the expansion of a home health service or program by a
10 health care facility that:

11 1. Established the home health service or program without a
12 certificate of need between January 1, 1984 and July 1, 1984; and

13 2. During a 1-year period, the annual operating revenue of
14 the home health service or program would be greater than \$333,000 after an annual
15 adjustment for inflation, based on an appropriate index specified by the Commission.

16 [(j)] (K) (1) A certificate of need is required before any of the following
17 capital expenditures are made by or on behalf of a health care facility:

18 (i) Any expenditure that, under generally accepted accounting
19 principles, is not properly chargeable as an operating or maintenance expense, if:

20 1. The expenditure is made as part of an acquisition,
21 improvement, or expansion, and, after adjustment for inflation as provided in the
22 regulations of the Commission, the total expenditure, including the cost of each study,
23 survey, design, plan, working drawing, specification, and other essential activity, is
24 more than ~~\$1,250,000~~ \$2,500,000;

25 2. The expenditure is made as part of a replacement of any
26 plant and equipment of the health care facility and is more than ~~\$1,250,000~~ \$2,500,000
27 after adjustment for inflation as provided in the regulations of the Commission;

28 3. The expenditure results in a substantial change in the bed
29 capacity of the health care facility; or

30 4. The expenditure results in the establishment of a new
31 medical service in a health care facility that would require a certificate of need under
32 subsection (i) of this section; or

33 (ii) Any expenditure that is made to lease or, by comparable
34 arrangement, obtain any plant or equipment for the health care facility, if:

35 1. The expenditure is made as part of an acquisition,
36 improvement, or expansion, and, after adjustment for inflation as provided in the
37 rules and regulations of the Commission, the total expenditure, including the cost of

1 each study, survey, design, plan, working drawing, specification, and other essential
2 activity, is more than ~~\$1,250,000~~ \$2,500,000;

3 2. The expenditure is made as part of a replacement of any
4 plant and equipment and is more than ~~\$1,250,000~~ \$2,500,000 after adjustment for
5 inflation as provided in the regulations of the Commission;

6 3. The expenditure results in a substantial change in the bed
7 capacity of the health care facility; or

8 4. The expenditure results in the establishment of a new
9 medical service in a health care facility that would require a certificate of need under
10 subsection (i) of this section.

11 (2) A certificate of need is required before any equipment or plant is
12 donated to a health care facility, if a certificate of need would be required under
13 paragraph (1) of this subsection for an expenditure by the health care facility to
14 acquire the equipment or plant directly.

15 (3) A certificate of need is required before any equipment or plant is
16 transferred to a health care facility at less than fair market value if a certificate of
17 need would be required under paragraph (1) of this subsection for the transfer at fair
18 market value.

19 (4) A certificate of need is required before a person acquires a health care
20 facility if a certificate of need would be required under paragraph (1) of this
21 subsection for the acquisition by or on behalf of the health care facility.

22 (5) This subsection does not apply to:

23 (i) Site acquisition;

24 (ii) Acquisition of a health care facility if, at least 30 days before
25 making the contractual arrangement to acquire the facility, written notice of the
26 intent to make the arrangement is filed with the Commission and the Commission
27 does not find, within 30 days after the Commission receives notice, that the health
28 services or bed capacity of the facility will be changed;

29 (iii) Acquisition of business or office equipment that is not directly
30 related to patient care;

31 (iv) Capital expenditures to the extent that they are directly related
32 to the acquisition and installation of major medical equipment;

33 (v) A capital expenditure made as part of a consolidation or merger
34 of 2 or more health care facilities, or conversion of a health care facility or part of a
35 facility to a nonhealth-related use if:

36 1. At least 45 days before an expenditure is made, written
37 notice of intent is filed with the Commission;

- 1 2. Within 45 days of receiving notice, the Commission in its
2 sole discretion finds that the proposed consolidation, merger, or conversion:
- 3 A. Is not inconsistent with the State health plan or the
4 institution-specific plan developed by the Commission as appropriate;
- 5 B. Will result in the delivery of more efficient and effective
6 health care services; and
- 7 C. Is in the public interest; and
- 8 3. Within 45 days of receiving notice, the Commission shall
9 notify the health care facility of its finding;
- 10 (vi) A capital expenditure by a nursing home for equipment,
11 construction, or renovation that:
- 12 1. Is not directly related to patient care; and
- 13 2. Is not directly related to any change in patient charges or
14 other rates;
- 15 (vii) A capital expenditure by a hospital, as defined in § 19-301 of
16 this title, for equipment, construction, or renovation that:
- 17 1. Is not directly related to patient care; and
- 18 2. Does not increase patient charges or hospital rates;
- 19 (viii) A capital expenditure by a hospital as defined in § 19-301 of
20 this title, for a project in excess of ~~\$1,250,000~~ \$2,500,000 for construction or renovation
21 that:
- 22 1. May be related to patient care;
- 23 2. Does not require, over the entire period or schedule of debt
24 service associated with the project, a total cumulative increase in patient charges or
25 hospital rates of more than \$1,500,000 for the capital costs associated with the project
26 as determined by the Commission, after consultation with the Health Services Cost
27 Review Commission;
- 28 3. At least 45 days before the proposed expenditure is made,
29 the hospital notifies the Commission and within 45 days of receipt of the relevant
30 financial information, the Commission makes the financial determination required
31 under item 2 of this subparagraph; and
- 32 4. The relevant financial information to be submitted by the
33 hospital is defined in regulations promulgated by the Commission, after consultation
34 with the Health Services Cost Review Commission; or

1 (ix) A plant donated to a hospital as defined in § 19-301 of this title,
2 which does not require a cumulative increase in patient charges or hospital rates of
3 more than \$1,500,000 for capital costs associated with the donated plant as
4 determined by the Commission, after consultation with the Health Services Cost
5 Review Commission that:

6 1. At least 45 days before the proposed donation is made, the
7 hospital notifies the Commission and within 45 days of receipt of the relevant
8 financial information, the Commission makes the financial determination required
9 under this subparagraph; and

10 2. The relevant financial information to be submitted by the
11 hospital is defined in regulations promulgated by the Commission after consultation
12 with the Health Services Cost Review Commission.

13 (6) Paragraph (5)(vi), (vii), (viii), and (ix) of this subsection may not be
14 construed to permit a facility to offer a new health care service for which a certificate
15 of need is otherwise required.

16 (7) Subject to the notice requirements of paragraph (5)(ii) of this
17 subsection, a hospital may acquire a freestanding ambulatory surgical facility or
18 office of one or more health care practitioners or a group practice with one or more
19 operating rooms used primarily for the purpose of providing ambulatory surgical
20 services if the facility, office, or group practice:

21 (i) Has obtained a certificate of need;

22 (ii) Has obtained an exemption from certificate of need
23 requirements; or

24 (iii) Did not require a certificate of need in order to provide
25 ambulatory surgical services after June 1, 1995.

26 (8) Nothing in this subsection may be construed to permit a hospital to
27 build or expand its ambulatory surgical capacity in any setting owned or controlled by
28 the hospital without obtaining a certificate of need from the Commission if the
29 building or expansion would increase the surgical capacity of the State's health care
30 system.

31 (l) A certificate of need is not required to close any hospital or part of a
32 hospital as defined in § 19-301 of this title if:

33 [(1) At least 45 days before closing, written notice of intent to close is filed
34 with the Commission;

35 (2) The Commission in its sole discretion finds that the proposed closing
36 is not inconsistent with the State health plan or the institution-specific plan
37 developed by the Commission and is in the public interest; and

1 (3) Within 45 days of receiving notice the Commission notifies the health
2 care facility of its findings.]

3 (1) (I) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
4 AT LEAST 45 DAYS BEFORE THE CLOSING OR PARTIAL CLOSING OF A HOSPITAL,
5 INCLUDING A STATE HOSPITAL, A PERSON PROPOSING TO CLOSE ALL OR PART OF
6 THE HOSPITAL FILES NOTICE OF THE PROPOSED CLOSING OR PARTIAL CLOSING
7 WITH THE COMMISSION; AND

8 (II) WITHIN 30 DAYS AFTER RECEIPT OF THE NOTICE OF INTENT TO
9 CLOSE, THE ~~COMMISSION HOSPITAL~~, IN CONSULTATION WITH THE ~~HOSPITAL~~
10 COMMISSION, HOLDS A PUBLIC INFORMATIONAL HEARING IN THE COUNTY WHERE
11 THE HOSPITAL IS LOCATED; OR

12 (2) (I) FOR A HOSPITAL LOCATED IN A COUNTY WITH FEWER THAN
13 THREE HOSPITALS, AT LEAST 45 DAYS BEFORE THE CLOSING OR PARTIAL CLOSING
14 OF THE HOSPITAL, A PERSON PROPOSING TO CLOSE ALL OR PART OF THE HOSPITAL
15 FILES NOTICE OF THE PROPOSED CLOSING OR PARTIAL CLOSING WITH THE
16 COMMISSION; AND

17 (II) THE COMMISSION FINDS THAT THE CLOSING:

18 1. IS IN THE PUBLIC INTEREST; AND

19 2. IS NOT INCONSISTENT WITH:

20 A. THE STATE HEALTH PLAN; OR

21 B. AN INSTITUTION-SPECIFIC PLAN DEVELOPED BY THE
22 COMMISSION UNDER § 19-114.1 OF THIS SUBTITLE.

23 (m) In this section the terms "consolidation" and "merger" include increases
24 and decreases in bed capacity or services among the components of an organization
25 which:

26 (1) Operates more than one health care facility; or

27 (2) Operates one or more health care facilities and holds an outstanding
28 certificate of need to construct a health care facility.

29 (n) (1) Notwithstanding any other provision of this section, the Commission
30 shall consider the special needs and circumstances of a county where a medical
31 service, as defined in this section, does not exist; and

32 (2) The Commission shall consider and may approve under this
33 subsection a certificate of need application to establish, build, operate, or participate
34 in a health care project to provide a new medical service in a county if the
35 Commission, in its sole discretion, finds that:

1 (i) The proposed medical service does not exist in the county that
2 the project would be located;

3 (ii) The proposed medical service is necessary to meet the health
4 care needs of the residents of that county;

5 (iii) The proposed medical service would have a positive impact on
6 the existing health care system;

7 (iv) The proposed medical service would result in the delivery of
8 more efficient and effective health care services to the residents of that county; and

9 (v) The application meets any other standards or regulations
10 established by the Commission to approve applications under this subsection.

11 19-201.

12 (a) In this subtitle the following words have the meanings indicated.

13 (b) "Commission" means the State Health Services Cost Review Commission.

14 (c) "Facility" means, whether operated for a profit or not:

15 (1) Any hospital; or

16 (2) Any related institution.

17 (d) (1) "Hospital services" means:

18 (i) Inpatient hospital services as enumerated in Medicare
19 Regulation 42 C.F.R. § 409.10, as amended;

20 (ii) Emergency services;

21 (iii) Outpatient services provided at the hospital; and

22 (iv) Identified physician services for which a facility has
23 Commission-approved rates on June 30, 1985.

24 (2) "Hospital services" does not include:

25 (I) [outpatient] OUTPATIENT renal dialysis services; OR

26 (II) OUTPATIENT SERVICES PROVIDED AT A ~~CRITICAL ACCESS~~
27 LIMITED SERVICE HOSPITAL AS DEFINED IN § 19-301 OF THIS TITLE, EXCEPT FOR
28 EMERGENCY SERVICES.

29 (e) (1) "Related institution" means an institution that is licensed by the
30 Department as:

1 (i) A comprehensive care facility that is currently regulated by the
2 Commission; or

3 (ii) An intermediate care facility - mental retardation.

4 (2) "Related institution" includes any institution in paragraph (1) of this
5 subsection, as reclassified from time to time by law.

6 ~~19-221.~~

7 ~~(a) (1) Any person aggrieved by a final decision of the Commission under
8 this subtitle may not appeal to the Board of Review but may take a direct judicial
9 appeal.~~

10 ~~(2) The appeal shall be made as provided for judicial review of final
11 decisions in the Administrative Procedure Act.~~

12 ~~(B) A FINAL DECISION OF THE COMMISSION ESTABLISHING RATES FOR A
13 HOSPITAL FOLLOWING A RATE REVIEW MAY NOT BE STAYED PENDING AN APPEAL.~~

14 ~~[(b)] (C) (1) An appeal from a final decision of the Commission under this
15 section shall be taken in the name of the person aggrieved as appellant and against
16 the Commission as appellee.~~

17 ~~(2) The Commission is a necessary party to an appeal at all levels of the
18 appeal.~~

19 ~~(3) The Commission may appeal any decision that affects any of its final
20 decisions to a higher level for further review.~~

21 ~~(4) On grant of leave by the appropriate court, any aggrieved party or
22 interested person may intervene or participate in an appeal at any level.~~

23 ~~[(c)] (D) Any person, government agency, or nonprofit health service plan that
24 contracts with or pays a facility for health care services has standing to participate in
25 Commission hearings and shall be allowed to appeal final decisions of the
26 Commission.~~

27 ~~19-301.~~

28 (a) In this subtitle the following words have the meanings indicated.

29 (b) "Accredited hospital" means a hospital accredited by the Joint Commission
30 on Accreditation of Healthcare Organizations.

31 (c) "Accredited residential treatment center" means a residential treatment
32 center that is accredited by the Joint Commission on Accreditation of Healthcare
33 Organizations.

34 (d) "Apartment unit" means any space, in a residential building, that is
35 enclosed and self-contained and has a sanitary environment, if the space includes:

- 1 (1) 2 or more rooms;
- 2 (2) A direct exit to a thoroughfare or to a common element leading to a
3 thoroughfare;
- 4 (3) Facilities for living, sleeping, and eating; and
- 5 (4) At least the following facilities for cooking:
- 6 (i) Storage space for food and utensils;
- 7 (ii) A refrigerator;
- 8 (iii) A cook top; and
- 9 (iv) Adequate electrical capacity and outlets for small appliances.
- 10 (E) "~~CRITICAL ACCESS LIMITED SERVICE HOSPITAL~~" MEANS A HEALTH CARE
11 FACILITY THAT:
- 12 (1) IS LICENSED AS A HOSPITAL ON OR AFTER JANUARY 1, 1999;
- 13 (2) CHANGES THE TYPE OR SCOPE OF HEALTH CARE SERVICES
14 OFFERED BY ELIMINATING THE FACILITY'S CAPABILITY TO ADMIT OR RETAIN
15 PATIENTS FOR OVERNIGHT ACUTE CARE HOSPITALIZATION;
- 16 (3) RETAINS AN EMERGENCY ~~DEPARTMENT~~ OR URGENT CARE CENTER;
17 AND
- 18 (4) COMPLIES WITH THE ~~OPERATING STANDARDS PROVIDED IN~~
19 REGULATIONS ADOPTED BY THE SECRETARY UNDER § 19-307.1 OF THIS TITLE.
- 20 [(e)] (F) (1) "Domiciliary care" means services that are provided to aged or
21 disabled individuals in a protective, institutional or home-type environment.
- 22 (2) "Domiciliary care" includes:
- 23 (i) Shelter;
- 24 (ii) Housekeeping services;
- 25 (iii) Board;
- 26 (iv) Facilities and resources for daily living; and
- 27 (v) Personal surveillance or direction in the activities of daily
28 living.
- 29 [(f)] (G) "Hospital" means an institution that:

1 (1) Has a group of at least 5 physicians who are organized as a medical
2 staff for the institution;

3 (2) Maintains facilities to provide, under the supervision of the medical
4 staff, diagnostic and treatment services for 2 or more unrelated individuals; and

5 (3) Admits or retains the individuals for overnight care.

6 [(g)] (H) "License" means a license issued by the Secretary:

7 (1) To operate a hospital in this State;

8 (2) To operate a related institution in this State; or

9 (3) To operate a residential treatment center in this State.

10 [(h)] (I) "Nonaccredited hospital" means a hospital not accredited by the Joint
11 Commission on Accreditation of Healthcare Organizations.

12 [(i)] (J) "Nonaccredited residential treatment center" means a residential
13 treatment center that is not accredited by the Joint Commission on Accreditation of
14 Healthcare Organizations.

15 [(j)] (K) "Nursing care" means service for a patient that is:

16 (1) Ordered by a physician; and

17 (2) Provided or supervised by a registered or practical nurse who is
18 licensed to practice in this State.

19 [(k)] (L) "Nursing facility" means a related institution that provides nursing
20 care for 2 or more unrelated individuals.

21 [(l)] (M) "Person" includes this State or a county or municipal corporation.

22 [(m)] (N) (1) "Personal care" means a service that an individual normally
23 would perform personally, but for which the individual needs help from another
24 because of advanced age, infirmity, or physical or mental limitation.

25 (2) "Personal care" includes:

26 (i) Help in walking;

27 (ii) Help in getting in and out of bed;

28 (iii) Help in bathing;

29 (iv) Help in dressing;

30 (v) Help in feeding; and

- 1 (vi) General supervision and help in daily living.
- 2 [(n)] (O) (1) "Related institution" means an organized institution,
3 environment, or home that:
- 4 (i) Maintains conditions or facilities and equipment to provide
5 domiciliary, personal, or nursing care for 2 or more unrelated individuals who are
6 dependent on the administrator, operator, or proprietor for nursing care or the
7 subsistence of daily living in a safe, sanitary, and healthful environment; and
- 8 (ii) Admits or retains the individuals for overnight care.
- 9 (2) "Related institution" does not include a nursing facility or visiting
10 nurse service that is conducted only by or for adherents of a bona fide church or
11 religious organization, in accordance with tenets and practices that include reliance
12 on treatment by spiritual means alone for healing.
- 13 [(o)] (P) "Residential treatment center" means a psychiatric institution that
14 provides campus-based intensive and extensive evaluation and treatment of children
15 and adolescents with severe and chronic emotional disturbances who require a
16 self-contained therapeutic, educational, and recreational program in a residential
17 setting.
- 18 [(p)] (Q) "Unrelated individual" means anyone who is not:
- 19 (1) A child, grandchild, parent, grandparent, sibling, stepparent,
20 stepchild, or spouse of the proprietor; or
- 21 (2) An in-law of any of these individuals.
- 22 19-307.
- 23 (a) (1) A hospital shall be classified:
- 24 (i) As a general hospital if the hospital at least has the facilities
25 and provides the services that are necessary for the general medical and surgical care
26 of patients;
- 27 (ii) As a special hospital if the hospital:
- 28 1. Defines a program of specialized services, such as
29 obstetrics, mental health, tuberculosis, orthopedy, chronic disease, or communicable
30 disease;
- 31 2. Admits only patients with medical or surgical needs
32 within the program; and
- 33 3. Has the facilities for and provides those specialized
34 services; [or]

1 (iii) As a special rehabilitation hospital if the hospital meets the
2 requirements of this subtitle and Subtitle 12 of this title; OR

3 (IV) AS A ~~CRITICAL ACCESS~~ LIMITED SERVICE HOSPITAL IF THE
4 HEALTH CARE FACILITY:

5 1. IS LICENSED AS A HOSPITAL ON OR AFTER JANUARY 1,
6 1999;

7 2. CHANGES THE TYPE OR SCOPE OF SERVICES OFFERED BY
8 ELIMINATING THE CAPABILITY TO ADMIT OR RETAIN INDIVIDUALS FOR OVERNIGHT
9 ACUTE CARE HOSPITALIZATION;

10 3. RETAINS AN EMERGENCY ~~DEPARTMENT~~ OR URGENT
11 CARE CENTER; AND

12 4. COMPLIES WITH THE ~~OPERATING STANDARDS PROVIDED~~
13 ~~IN~~ REGULATIONS ADOPTED BY THE SECRETARY UNDER § 19-307.1 OF THIS TITLE.

14 (2) The Secretary may set, by rule or regulation, other reasonable
15 classifications for hospitals.

16 19-307.1.

17 ~~A CRITICAL ACCESS HOSPITAL SHALL MEET THE FOLLOWING OPERATING~~
18 ~~STANDARDS:~~ THE DEPARTMENT SHALL ADOPT REGULATIONS FOR A LIMITED
19 SERVICE HOSPITAL THAT INCLUDES THE FOLLOWING STANDARDS:

20 (1) THE ~~CRITICAL ACCESS~~ LIMITED SERVICE HOSPITAL SHALL BE OPEN
21 24 HOURS A DAY, 7 DAYS A WEEK;

22 (2) THERE SHALL BE AT LEAST ONE PHYSICIAN ~~TRAINED~~
23 CREDENTIALLED IN EMERGENCY MEDICINE AT THE ~~CRITICAL ACCESS~~ LIMITED
24 SERVICE HOSPITAL AT ALL TIMES;

25 (3) A SUFFICIENT NUMBER OF REGISTERED NURSES AND OTHER
26 HEALTH PROFESSIONALS SHALL BE AVAILABLE AT THE ~~CRITICAL ACCESS~~ LIMITED
27 SERVICE HOSPITAL TO PROVIDE ADVANCED LIFE SUPPORT;

28 (4) BASIC X-RAY AND LABORATORY FACILITIES SHALL BE AVAILABLE AT
29 THE ~~CRITICAL ACCESS~~ LIMITED SERVICE HOSPITAL AND OPERABLE AT ALL TIMES BY
30 ONE RADIOLOGY TECHNICIAN AND ONE LABORATORY TECHNICIAN;

31 (5) RESUSCITATION EQUIPMENT, INCLUDING MONITOR,
32 DEFIBRILLATOR, CARDIAC MEDICATIONS, INTUBATION EQUIPMENT, AND
33 INTRAVENOUS LINE EQUIPMENT SHALL BE AVAILABLE AT THE ~~CRITICAL ACCESS~~
34 LIMITED SERVICE HOSPITAL AND OPERABLE AT ALL TIMES;

35 (6) STANDARD PROCEDURES IN ACCORDANCE WITH THE STATE
36 EMERGENCY MEDICAL SERVICES PLAN SHALL EXIST FOR THE IMMEDIATE

1 TRANSPORT OF INDIVIDUALS IN NEED OF HOSPITALIZATION OR OTHER MORE
2 DEFINITIVE CARE;

3 (7) SPECIFIC DEFINED ROLE IN EMERGENCY MEDICAL SERVICES
4 SYSTEM WITH APPROPRIATE TELEPHONE COMMUNICATION SHALL EXIST;

5 (8) EMERGENCY SERVICES SHALL BE AVAILABLE TO ALL PERSONS
6 REGARDLESS OF ABILITY TO PAY; ~~AND~~

7 (9) ADOPTION, IMPLEMENTATION, AND ENFORCEMENT OF A POLICY
8 SHALL EXIST THAT REQUIRES, EXCEPT IN AN EMERGENCY LIFE-THREATENING
9 SITUATION WHERE IT IS NOT FEASIBLE OR PRACTICABLE, COMPLIANCE BY ALL
10 EMPLOYEES AND MEDICAL STAFF INVOLVED IN PATIENT CARE SERVICES WITH THE
11 CENTERS FOR DISEASE CONTROL'S GUIDELINES ON UNIVERSAL PRECAUTIONS; AND

12 (10) ANY OTHER STANDARD THAT THE SECRETARY DEEMS NECESSARY
13 TO ENSURE THE QUALITY OF THE SERVICES PROVIDED BY LIMITED LICENSE
14 HOSPITALS.

15 19-307.2.

16 (A) FOR A HOSPITAL CLASSIFIED AS A GENERAL HOSPITAL, THE SECRETARY
17 SHALL ANNUALLY CALCULATE THE HOSPITAL'S LICENSED BED CAPACITY.

18 ~~(B) (1) FOR HOSPITALS WITH 100 OR MORE AUTHORIZED BEDS AS OF~~
19 ~~JANUARY 1 OF THAT YEAR, THE ANNUAL LICENSED BED CAPACITY CALCULATION~~
20 ~~SHALL BE NO GREATER THAN 120 PERCENT OF THE AVERAGE DAILY CENSUS FOR~~
21 ~~THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE CALCULATION.~~

22 ~~(2) FOR HOSPITALS WITH FEWER THAN 100 AUTHORIZED BEDS AS OF~~
23 ~~JANUARY 1 OF THAT YEAR, THE ANNUAL LICENSED BED CAPACITY CALCULATION~~
24 ~~SHALL BE NO GREATER THAN 130 PERCENT OF THE AVERAGE DAILY CENSUS FOR~~
25 ~~THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE CALCULATION.~~

26 (B) THE ANNUAL LICENSED BED CALCULATION FOR EACH HOSPITAL SHALL
27 EQUAL 140 PERCENT OF THE AVERAGE DAILY CENSUS FOR THE 12-MONTH PERIOD
28 IMMEDIATELY PRECEDING THE CALCULATION.

29 (C) IF NECESSARY TO ADEQUATELY MEET DEMAND FOR SERVICES, A
30 HOSPITAL MAY EXCEED ITS LICENSED BED CAPACITY IF:

31 (1) ON AVERAGE FOR THE 12-MONTH PERIOD, THE HOSPITAL DOES NOT
32 EXCEED ITS LICENSED BED CAPACITY BASED ON THE ANNUAL CALCULATION; AND

33 (2) ~~THE HOSPITAL NOTIFIES THE COMMISSION WITHIN 15 DAYS OF~~
34 ~~EXCEEDING ITS LICENSED BED CAPACITY~~ INCLUDES IN ITS MONTHLY REPORT TO
35 THE HEALTH SERVICES COST REVIEW COMMISSION THE FOLLOWING INFORMATION:

36 (I) THE NUMBER OF DAYS THE HOSPITAL EXCEEDED ITS
37 LICENSED BED CAPACITY FOR THE MONTH; AND

1 (II) THE NUMBER OF BEDS THAT WERE EXCEEDED ON EACH OF
 2 THOSE DAYS.

3 (D) BEFORE JULY 1, 2000 AND EACH JULY 1 THEREAFTER, THE SECRETARY
 4 SHALL DELICENSE ANY LICENSED HOSPITAL BEDS DETERMINED TO BE EXCESS BED
 5 CAPACITY UNDER SUBSECTION (B) OF THIS SECTION.

6 ~~Subtitle 3A. Freestanding Medical Facilities.~~

7 ~~49-3A-01.~~

8 In this subtitle, "freestanding medical facility" means a facility:

9 (1) In which medical and health services are provided;

10 (2) That is physically separate from a hospital or hospital grounds; and

11 (3) That is not an administrative part of a hospital or related institution,
 12 as defined in § 19-301 of this title.

13 ~~49-3A-02.~~

14 The Department shall adopt regulations for certifying a freestanding medical
 15 facility that uses in its title or advertising the words "emergency", "urgent care", or
 16 parts of those words or other language indicating to the public that medical treatment
 17 for immediately life-threatening medical conditions is available at that freestanding
 18 medical facility, which shall include the following standards:

19 (1) The freestanding medical facility shall be open 24 hours a day, 7 days
 20 a week;

21 (2) There shall be at least 1 physician trained in emergency medicine at
 22 the facility at all times;

23 (3) A sufficient number of registered nurses and other health
 24 professionals shall be available at the freestanding medical facility to provide
 25 advanced life support;

26 (4) Basic X-ray and laboratory facilities shall be available at the
 27 freestanding medical facility and operable at all times by 1 radiology technician and
 28 1 laboratory technician;

29 (5) Resuscitation equipment, including monitor, defibrillator, cardiac
 30 medications, intubation equipment, and intravenous line equipment;

31 (6) Standard procedures in accordance with the State Emergency
 32 Medical Services Plan shall exist for the immediate transport of individuals in need of
 33 hospitalization or other more definitive care;

1 (7) Specific defined role in Emergency Medical Services System with
2 appropriate telephone communication;

3 (8) Availability of emergency services to all persons regardless of ability
4 to pay;

5 (9) Adoption, implementation, and enforcement of a policy that requires,
6 except in an emergency life threatening situation where it is not feasible or
7 practicable, compliance by all employees and medical staff involved in patient care
8 services with the Centers for Disease Control's guidelines on universal precautions;
9 and

10 (10) Display of the notice developed under § 1-207 of the Health
11 Occupations Article at the entrance to the freestanding medical facility.

12 ~~19-3A-03.~~

13 (a) The Department shall issue a certificate to a freestanding medical facility
14 that meets the certification requirements under this section.

15 (b) A freestanding medical facility that uses in its title or advertising the
16 words "emergency", "urgent care", or parts of those words or other language
17 indicating to the public that medical treatment for immediately life-threatening
18 medical conditions exist at that facility shall be certified by the Department before it
19 may operate in this State.

20 ~~19-3A-04.~~

21 The governing body of any county may adopt rules and regulations governing
22 freestanding medical facilities more restrictive than the regulations adopted by the
23 Department.

24 ~~19-3A-05.~~

25 (a) Except as provided in subsection (b) of this section, a person who violates
26 any provision of this subtitle is guilty of a misdemeanor and on conviction is subject to
27 a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or both.

28 (b) If a freestanding medical facility fails to comply with the requirements of §
29 19-3A-02(9) and (10) of this subtitle, the Department may impose a fine of up to \$500
30 per day per violation for each day a violation continues.

31 ~~19-3A-06.~~

32 The circuit court for a county in which a person is operating a freestanding
33 medical facility in violation of a provision of this subtitle may enjoin further operation
34 of the freestanding medical facility that violates this subtitle.

Article 43C - Maryland Health and Higher Educational Facilities Authority

2 16A.

3 (A) THIS SECTION APPLIES TO:

4 (1) THE CLOSURE OF A HOSPITAL UNDER § 19-115(L) OF THE HEALTH -
5 GENERAL ARTICLE;

6 (2) THE DELICENSURE OF A HOSPITAL UNDER § 19-325 OF THE HEALTH
7 - GENERAL ARTICLE; AND

8 ~~(3) THE CONVERSION OF A HOSPITAL TO A CRITICAL ACCESS HOSPITAL~~
9 ~~UNDER § 19-115 (J) OF THE HEALTH - GENERAL ARTICLE IF:~~

10 ~~(I) THE CONVERSION OCCURS BEFORE OCTOBER 1, 2002; AND~~

11 ~~(II) THE HOSPITAL CONVERTING TO A CRITICAL ACCESS HOSPITAL~~
12 ~~IS LOCATED IN A COUNTY WITH THREE OR MORE HOSPITALS.~~

13 (3) THE CONVERSION OF A HOSPITAL TO A LIMITED SERVICE HOSPITAL
14 UNDER § 19-115(J) OF THE HEALTH - GENERAL ARTICLE OR TO ANOTHER
15 HEALTH-RELATED USE IF:

16 (I) THE CONVERSION OCCURS BEFORE OCTOBER 1, 2002; AND

17 (II) THE HOSPITAL'S CAPABILITY TO ADMIT OR RETAIN PATIENTS
18 FOR OVERNIGHT ACUTE CARE HOSPITALIZATION IS ELIMINATED.

19 [(a)] (B) (1) In this [section,] SECTION the following terms have the
20 meanings indicated.

21 [(1)] (2) "Closure costs" means the reasonable costs determined by the
22 Health Services Cost Review Commission to be incurred in connection with the
23 [closure or delicensure] CLOSURE, DELICENSURE, OR CONVERSION of a hospital,
24 including expenses of operating the hospital, payments to employees, employee
25 benefits, fees of consultants, insurance, security services, utilities, legal fees, capital
26 costs, costs of terminating contracts with vendors, suppliers of goods and services and
27 others, debt service, contingencies and other necessary or appropriate costs and
28 expenses.

29 [(2)] (3) (i) "Public body obligation" means any bond, note, evidence
30 of indebtedness or other obligation for the payment of borrowed money issued by the
31 Authority, THE STATE, ANY AGENCY, INSTRUMENTALITY, OR PUBLIC CORPORATION
32 OF THE STATE, any public body as defined in Article 31, § 9 of the Code, the Mayor
33 and City Council of Baltimore, or any municipal corporation subject to the provisions
34 of Article XI-E of the Maryland Constitution.

35 (ii) "Public body obligation" does not include any obligation, or
36 portion of any such obligation, if:

- 1 1. The principal of and interest on the obligation or such
2 portion thereof is:
- 3 A. Insured by an effective municipal bond insurance policy;
4 and
- 5 B. Issued on behalf of a hospital that voluntarily closed in
6 accordance with § 19-115(l) of the Health - General Article;
- 7 2. The proceeds of the obligation or such portion thereof were
8 used for the purpose of financing or refinancing a facility or part thereof which is used
9 primarily to provide outpatient services at a location other than the hospital; or
- 10 3. The proceeds of the obligation or such portion thereof were
11 used to finance or refinance a facility or part thereof which is primarily used by
12 physicians who are not employees of the hospital for the purpose of providing services
13 to nonhospital patients.

14 [(b)] (C) (1) The General Assembly finds that the failure to provide for the
15 payment of public body obligations of a [closed or delicensed] CLOSED, DELICENSED,
16 OR CONVERTED hospital could have a serious adverse effect on the ability of
17 Maryland health care facilities, and potentially the ability of the State and local
18 governments, to secure subsequent financing through the issuance of tax-exempt
19 bonds.

20 (2) The purpose of this section is to preserve the access of Maryland's
21 health care facilities to adequate financing by establishing a program to facilitate the
22 refinancing and payment of public body obligations of a [closed or delicensed]
23 CLOSED, DELICENSED, OR CONVERTED hospital.

24 [(c)] (D) The Maryland Hospital Bond Program is hereby created within the
25 Maryland Health and Higher Educational Facilities Authority. The Program shall
26 provide for the payment and refinancing of public body obligations of a hospital, as
27 defined in § 19-301 of the Health - General Article, if:

28 (1) The closure of a hospital is in accordance with § 19-115(l) of the
29 Health - General [Article or] ARTICLE, the delicensure of a hospital is in accordance
30 with § 19-325 of the Health - General [Article;] ARTICLE, OR THE CONVERSION OF A
31 HOSPITAL IS IN ACCORDANCE WITH ~~§ 19-115(J) OF THE HEALTH - GENERAL ARTICLE~~
32 SUBSECTION (A)(3) OF THIS SECTION;

33 (2) There are public body obligations issued on behalf of the hospital
34 outstanding; AND

35 (3) [The closure of the hospital is not the result of a merger or
36 consolidation with 1 or more other hospitals; and

37 (4)] The hospital plan for [closure or delicensure] CLOSURE,
38 DELICENSED, OR CONVERSION and the related financing or refinancing plan is
39 acceptable to the Secretary of Health and Mental Hygiene and the Authority.

1 [(d)] (E) (1) The Health Resources Planning Commission shall give:

2 (i) The Authority and the Health Services Cost Review
3 Commission written notification of the filing by a hospital with the Health Resources
4 Planning Commission of any written notice of intent to close under § 19-115(l) of the
5 Health - General Article; [or]

6 (II) THE AUTHORITY AND THE HEALTH SERVICES COST REVIEW
7 COMMISSION WRITTEN NOTIFICATION OF THE FILING BY A HOSPITAL WITH THE
8 HEALTH RESOURCES PLANNING COMMISSION OF ANY WRITTEN NOTICE OF INTENT
9 TO CONVERT UNDER ~~§ 19-115 (j) OF THE HEALTH - GENERAL ARTICLE SUBSECTION~~
10 (A)(3) OF THIS SECTION; OR

11 [(ii)] (III) The Authority written notification of the filing with the
12 Secretary of Health and Mental Hygiene of a petition for the delicensure of a hospital
13 under § 19-325 of the Health - General Article.

14 (2) The notice required by this subsection shall be given within [10] 5
15 days after the filing of the notice or petition.

16 [(e)] (F) [(1) The Health Resources Planning Commission and the Secretary
17 of Health and Mental Hygiene shall give the Authority and the Health Services Cost
18 Review Commission written notification of:

19 (i) A determination by the Health Resources Planning Commission
20 to exempt a hospital closure from the certificate of need requirement pursuant to §
21 19-115(l) of the Health - General Article; or

22 (ii) A determination by the Secretary of Health and Mental Hygiene
23 to delicense a hospital pursuant to § 19-325 of the Health - General Article.]

24 (1) AFTER A DETERMINATION BY THE SECRETARY OF HEALTH AND
25 MENTAL HYGIENE TO DELICENSE A HOSPITAL IN ACCORDANCE WITH § 19-325 OF
26 THE HEALTH - GENERAL ARTICLE, THE SECRETARY SHALL GIVE THE AUTHORITY
27 AND THE HEALTH SERVICES COST REVIEW COMMISSION WRITTEN NOTIFICATION OF
28 THE DETERMINATION.

29 (2) FOR A HOSPITAL THAT IS LOCATED IN A COUNTY WITH THREE OR
30 ~~MORE THAN THREE~~ HOSPITALS, THE HEALTH RESOURCES PLANNING COMMISSION
31 SHALL PROVIDE THE AUTHORITY AND THE HEALTH SERVICES COST REVIEW
32 COMMISSION NOTIFICATION THAT THE HOSPITAL, IN CONSULTATION WITH THE
33 HEALTH RESOURCES PLANNING COMMISSION, ~~AND THE HOSPITAL~~ HELD A PUBLIC
34 INFORMATION HEARING IN THE COUNTY WHERE THE HOSPITAL IS LOCATED.

35 (3) FOR A HOSPITAL THAT IS LOCATED IN A COUNTY WITH FEWER THAN
36 THREE HOSPITALS, THE HEALTH RESOURCES PLANNING COMMISSION SHALL
37 PROVIDE THE AUTHORITY AND THE HEALTH SERVICES COST REVIEW COMMISSION
38 NOTIFICATION OF THE ~~DETERMINATION~~ FINDING BY THE HEALTH RESOURCES
39 PLANNING COMMISSION ON WHETHER THE PROPOSED CLOSING IS:

1 (I) IN THE PUBLIC INTEREST; AND

2 (II) NOT INCONSISTENT WITH:

3 1. THE STATE HEALTH PLAN; OR

4 2. AN INSTITUTION-SPECIFIC PLAN DEVELOPED BY THE
5 HEALTH RESOURCES PLANNING COMMISSION.

6 (4) FOR A HOSPITAL THAT CONVERTS TO A CRITICAL ACCESS HOSPITAL
7 ~~UNDER § 19-115(J) OF THE HEALTH GENERAL ARTICLE~~; THE HEALTH RESOURCES
8 PLANNING COMMISSION SHALL PROVIDE THE AUTHORITY AND THE HEALTH
9 SERVICES COST REVIEW COMMISSION NOTIFICATION OF THE ~~DETERMINATION~~
10 FINDING BY THE HEALTH RESOURCES PLANNING COMMISSION ON WHETHER THE
11 CONVERSION IS:

12 (I) IN THE PUBLIC INTEREST;

13 (II) WILL RESULT IN THE DELIVERY OF MORE EFFICIENT AND
14 EFFECTIVE HEALTH CARE SERVICES; AND

15 (III) NOT INCONSISTENT WITH:

16 1. THE STATE HEALTH PLAN; OR

17 2. AN INSTITUTION-SPECIFIC PLAN DEVELOPED BY THE
18 HEALTH RESOURCES PLANNING COMMISSION.

19 [(2)] (5) The Health Resources Planning Commission and the Secretary
20 of Health and Mental Hygiene shall submit the written notification required in
21 [paragraph (1)] PARAGRAPHS (1) THROUGH (4) of this subsection no later than 150
22 days prior to the scheduled date of the hospital [closure or delicensure] CLOSURE,
23 DELICENSURE, OR CONVERSION and shall include the name and location of the
24 hospital, and the scheduled date of hospital [closure or delicensure] CLOSURE,
25 DELICENSURE, OR CONVERSION.

26 [(f)] (G) (1) A hospital that intends to [close or] CLOSE, is scheduled to be
27 [delicensed] DELICENSED, OR IS SCHEDULED TO CONVERT TO A CRITICAL ACCESS
28 HOSPITAL shall provide the Authority and the Health Services Cost Review
29 Commission with a written statement of any outstanding public body obligations
30 issued on behalf of the hospital, which shall include:

31 (i) The name of each issuer of a public body obligation on behalf of
32 the hospital;

33 (ii) The outstanding principal amount of each public body
34 obligation and the due dates for payment or any mandatory redemption or purchase
35 thereof;

1 (iii) The due dates for the payment of interest on each public body
2 obligation and the interest rates; and

3 (iv) Any documents and information pertaining to the public body
4 obligations as the Authority or the Health Services Cost Review Commission may
5 request.

6 (2) The statement required in paragraph (1) of this subsection shall be
7 filed by the hospital:

8 (i) In the case of closure pursuant to § 19-115(l) of the Health -
9 General Article, within 10 days after the date of filing with the Health Resources
10 Planning Commission of written notice of intent to close; [or]

11 (ii) In the case of delicensure pursuant to § 19-325 of the Health -
12 General Article, at least 150 days prior to the scheduled date of [delicensure.]
13 DELICENSURE; OR

14 (III) IN THE CASE OF CONVERSION PURSUANT TO ~~§ 19-115(j) OF THE~~
15 ~~HEALTH GENERAL ARTICLE SUBSECTION (A)(3) OF THIS SECTION~~, AT LEAST 10 DAYS
16 AFTER THE DATE OF FILING WITH THE HEALTH RESOURCES PLANNING
17 COMMISSION OF WRITTEN NOTICE OF INTENT TO CONVERT ~~TO A CRITICAL ASSESS~~
18 ~~HOSPITAL~~.

19 [(g)] (H) (1) The Health Services Cost Review Commission may determine
20 to provide for the payment of all or any portion of the closure costs of a hospital
21 having outstanding public body obligations if the Health Services Cost Review
22 Commission determines that payment of the closing costs is necessary or appropriate
23 to:

24 (i) Encourage and assist the hospital to [close;] CLOSE OR
25 CONVERT; or

26 (ii) Implement the program created by this section.

27 (2) In making the determinations under this subsection, the Health
28 Services Cost Review Commission shall consider:

29 (i) The amount of the system-wide savings to the State health care
30 system expected to result from the [closure or delicensure] CLOSURE, DELICENSURE,
31 OR CONVERSION of the hospital over:

32 1. The period during which the fee to provide for the
33 payment of the closure costs or any bonds or notes issued to finance the closure costs
34 will be assessed; or

35 2. A period ending 5 years after the date of [closure or
36 delicensure,] CLOSURE, DELICENSURE, OR CONVERSION whichever is the longer; and

1 (ii) The recommendations of the Health Resources Planning
2 Commission and the Authority.

3 (3) Within 60 days after receiving the notice of closure or delicensure
4 required by subsection [(e),] (F), the Health Services Cost Review Commission shall:

5 (i) Determine whether to provide for the payment of all or any
6 portion of the closure costs of the hospital in accordance with this subsection; and

7 (ii) Give written notification of such determination to the Health
8 Resources Planning Commission and the Authority.

9 (4) The provisions of this subsection may not be construed to require the
10 Health Services Cost Review Commission to make provision for the payment of any
11 closure costs of a [closed or delicensed] CLOSED, DELICENSED, OR CONVERTED
12 hospital.

13 (5) In any suit, action or proceeding involving the validity or
14 enforceability of any bond or note issued to finance any closure costs or any security
15 for a bond or note, the determinations of the Health Services Cost Review
16 Commission under this subsection shall be conclusive and binding.

17 [(h)] (I) (1) Within 60 days after receiving the written statement required
18 by subsection [(f)] (G) of this section, the Authority shall prepare a schedule of
19 payments necessary to meet the public body obligations of the hospital.

20 (2) As soon as practicable after receipt of the notice of [closure or
21 delicensure] CLOSURE, DELICENSURE, OR CONVERSION required by subsection [(e)]
22 (F) and after consultation with the issuer of each public body obligation and the
23 Health Services Cost Review Commission, the Authority shall prepare a proposed
24 plan to finance, refinance or otherwise provide for the payment of public body
25 obligations. The proposed plan may include any tender, redemption, advance
26 refunding or other technique deemed appropriate by the Authority.

27 (3) As soon as practicable after receipt of written notification that the
28 Health Services Cost Review Commission has determined to provide for the payment
29 of any closure costs of a hospital pursuant to subsection [(g)] (H) of this section, the
30 Authority shall prepare a proposed plan to finance, refinance or otherwise provide for
31 the payment of the closure costs set forth in the notice.

32 (4) Upon the request of the Health Services Cost Review Commission,
33 the Authority may begin preparing the plan or plans required by this subsection
34 before:

35 (i) [The final determination by the Health Resources Planning
36 Commission to exempt a hospital closure from the certificate of need requirement
37 pursuant to § 19-115(l) of the Health - General Article] FOR A HOSPITAL THAT IS
38 LOCATED IN A COUNTY WITH FEWER THAN THREE HOSPITALS, THE HEALTH
39 RESOURCES PLANNING COMMISSION DETERMINES THAT THE PROPOSED CLOSING
40 IS:

- 1 1. IN THE PUBLIC INTEREST; AND
- 2 2. NOT INCONSISTENT WITH:
- 3 A. THE STATE HEALTH PLAN; OR
- 4 B. AN INSTITUTION-SPECIFIC PLAN DEVELOPED BY THE
- 5 HEALTH RESOURCES PLANNING COMMISSION.

6 (ii) Any final determination of delicensure by the Secretary of
7 Health and Mental Hygiene pursuant to § 19-325 of the Health - General Article; or

8 (iii) Any final determination by the Health Services Cost Review
9 Commission to provide for the payment of any closure costs of the hospital.

10 (5) The Authority shall promptly submit the schedule of payments and
11 the proposed plan or plans required by this subsection to the Health Services Cost
12 Review Commission.

13 [(i)] (J) (1) The Authority may issue negotiable bonds or notes for the
14 purpose of financing, refinancing or otherwise providing for the payment of public
15 body obligations or any closure costs of a hospital in accordance with any plan
16 developed pursuant to subsection [(h)] (I) of this section.

17 (2) The bonds or notes shall be payable from the fees provided pursuant
18 to subsection [(j)] (K) of this section or from other sources as may be provided in the
19 plan.

20 (3) The bonds or notes shall be authorized, sold, executed and delivered
21 as provided for in this article and shall have terms consistent with all existing
22 constitutional and legal requirements.

23 (4) In connection with the issuance of any bond or note, the Authority
24 may assign its rights under any loan, lease or other financing agreement between the
25 Authority or any other issuer of a public body obligation and the [closed or
26 delicensed] CLOSED, DELICENSED, OR CONVERTED hospital to the State or
27 appropriate agency in consideration for the payment of any public body obligation as
28 provided in this section.

29 [(j)] (K) (1) On the date of [closure or delicensure] CLOSURE,
30 DELICENSURE, OR CONVERSION of any hospital for which a financing or refinancing
31 plan has been developed in accordance with subsection [(h)] (I) of this section, the
32 Health Services Cost Review Commission shall assess a fee on all hospitals as
33 provided in § 19-207.2 of the Health - General Article in an amount sufficient to:

34 (i) Pay the principal and interest on any public body obligations, or
35 any bonds or notes issued by the Authority pursuant to subsection [(i)] (J) of this
36 section to finance or refinance public body obligations;

1 (ii) Pay any closure costs or the principal and interest on any bonds
2 or notes issued by the Authority pursuant to subsection [(i)] (J) of this section to
3 finance or refinance any closure costs;

4 (iii) Maintain any reserve required in the resolution, trust
5 agreement or other financing agreement securing public body obligations, bonds, or
6 notes;

7 (iv) Pay any required financing fees or other similar charges; and

8 (v) Maintain reserves deemed appropriate by the Authority to
9 ensure that the amounts provided in this subsection are satisfied in the event any
10 hospital defaults in paying the fees.

11 (2) The fee assessed each hospital shall be equal to that portion of the
12 total fees required to be assessed that is equal to the ratio of the actual gross patient
13 revenues of the hospital to the total gross patient revenues of all hospitals,
14 determined as of the date or dates deemed appropriate by the Authority after
15 consultation with the Health Services Cost Review Commission.

16 (3) Each hospital shall pay the fee directly to the Authority, any trustee
17 for the holders of any bonds or notes issued by the Authority pursuant to subsection
18 [(i)] (J) of this section, or as otherwise directed by the Authority. The fee may be
19 assessed at any time necessary to meet the payment requirements of this subsection.

20 (4) The fees assessed may not be subject to supervision or regulation by
21 any department, commission, board, body or agency of this State. Any pledge of these
22 fees to any bonds or notes issued pursuant to this section or to any other public body
23 obligations, shall immediately subject such fees to the lien of the pledge without any
24 physical delivery or further act. The lien of the pledge shall be valid and binding
25 against all parties having claims of any kind in tort, contract or otherwise against the
26 Authority or any closed or delicensed hospital, irrespective of whether the parties
27 have notice.

28 (5) In the event the Health Services Cost Review Commission shall
29 terminate by law, the Secretary of Health and Mental Hygiene, in accordance with the
30 provisions of this subsection, shall impose a fee on all hospitals licensed pursuant to
31 § 19-318 of the Health - General Article.

32 ~~[(k)] (L) (1) Notwithstanding any other provision of this article, any~~
33 ~~action taken by the Authority to provide for the payment of public body obligations~~
34 ~~shall be for the purpose of maintaining the credit rating of this State, its agencies,~~
35 ~~instrumentalities, and political subdivisions, ensuring their access to the credit~~
36 ~~markets, and may not constitute any payment by or on behalf of a [closed or~~
37 ~~delicensed] CLOSED, DELICENSED, OR CONVERTED hospital. A hospital is not relieved~~
38 ~~of its obligations with respect to the payment of public body obligations. The~~
39 ~~Authority shall be subrogated to the rights of any holders or issuers of public body~~
40 ~~obligations, as if the payment or provision for payment had not been made.~~

1 (L) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
 2 MEANINGS INDICATED.

3 (II) "AFFILIATE" MEANS ANY ENTITY THAT DIRECTLY OR
 4 INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS
 5 CONTROLLED BY, OR IS UNDER THE COMMON CONTROL WITH ANOTHER PERSON.

6 (III) "CONTROLS", "CONTROLLING", "CONTROLLED BY", OR "UNDER
 7 COMMON CONTROL WITH" MEANS THE DIRECT OR INDIRECT POSSESSION OF THE
 8 POWER TO DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT AND POLICES
 9 OF A PERSON, THROUGH OWNERSHIP OF VOTING SECURITIES OR MEMBERSHIP
 10 INTEREST OR OF SECURITIES CONVERTIBLE INTO VOTING SECURITIES, BY
 11 CONTRACT OTHER THAN A COMMERCIAL CONTRACT FOR GOODS OR
 12 NONMANAGEMENT SERVICES, OR OTHERWISE, WHETHER OR NOT THE POWER IS
 13 EXERCISED OR SOUGHT TO BE EXERCISED.

14 (IV) "VALUE" MEANS THE FAIR MARKET VALUE OF ANY PROPERTY
 15 TRANSFERRED OR RETAINED OR SERVICES PROVIDED.

16 (2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THE
 17 AMOUNT OF ANY PUBLIC BODY OBLIGATION THAT QUALIFIES FOR PAYMENT UNDER
 18 THE MARYLAND HOSPITAL BOND PROGRAM ESTABLISHED UNDER SUBSECTION (A)(3)
 19 OF THIS SECTION SHALL BE REDUCED BY THE SUM OF:

20 (I) THE EXCESS, IF ANY, OF THE TOTAL VALUE OF ALL PROPERTY
 21 TRANSFERRED BY A CLOSED, DELICENSED, OR CONVERTED HOSPITAL TO ANY
 22 AFFILIATE OR TO ANY PERSON OR ENTITY HAVING AN INTEREST IN THE FACILITY
 23 AFTER THE CLOSURE, DELICENSURE, OR CONVERSION OF THE HOSPITAL OVER THE
 24 TOTAL VALUE OF ALL PROPERTY TRANSFERRED AND ALL SERVICES PROVIDED TO
 25 THE CLOSED, DELICENSED, OR CONVERTED HOSPITAL BY THE AFFILIATE OR OTHER
 26 PERSON OR ENTITY; AND

27 (II) THE TOTAL VALUE OF ALL PROPERTY TO BE RETAINED BY THE
 28 HOSPITAL OR ANY AFFILIATE FOLLOWING THE CLOSURE, DELICENSURE, OR
 29 CONVERSION OTHER THAN THE PROPERTY TO BE APPLIED TO THE PAYMENT OF
 30 CLOSURE COSTS APPROVED BY THE HEALTH SERVICES COST REVIEW COMMISSION.

31 (3) (I) THE AUTHORITY MAY DETERMINE THE VALUE OF ANY
 32 PROPERTY OR SERVICES BASED UPON AN APPRAISAL MADE BY AN INDEPENDENT
 33 PROFESSIONAL APPRAISER, THE REPORT OF AN INDEPENDENT CONSULTANT, OR
 34 ANY OTHER METHOD DEEMED APPROPRIATE BY THE AUTHORITY.

35 (II) THE COST OF PROCURING THE APPRAISER OR CONSULTANT
 36 EMPLOYED SHALL BE PAID BY THE CLOSED, DELICENSED, OR CONVERTED
 37 HOSPITAL.

38 (2) (4) The Authority may proceed against THE CLOSED, DELICENSED,
 39 OR CONVERTED HOSPITAL OR any guaranty or other collateral securing the payment
 40 of public body obligations of a [closed or delicensed] CLOSED, DELICENSED, OR

1 CONVERTED hospital which was provided by any entity associated with the hospital if
2 such action is determined by the Authority to be:

3 (i) Necessary to protect the interests of the holders of the public
4 body obligations; or

5 (ii) Consistent with the public purpose of encouraging and assisting
6 the hospital to [close.] CLOSE OR CONVERT.

7 ~~(3)~~ (5) In making the determination required under paragraph (2) of
8 this subsection, the Authority shall consider:

9 (i) The circumstances under which the guaranty or other collateral
10 was provided; and

11 (ii) The recommendations of the Health Services Cost Review
12 Commission and the Health Resources Planning Commission.

13 ~~(4)~~ (6) Any amount realized by the Authority or any assignee of the
14 Authority in the enforcement of any claim against THE CLOSED, DELICENSED, OR
15 CONVERTED HOSPITAL OR a hospital for which a plan has been developed in
16 accordance with subsection [(h)] (I) of this section shall be applied to offset the
17 amount of the fee required to be assessed by the Health Services Cost Review
18 Commission pursuant to subsection [(j)] (K) of this section. The costs and expenses of
19 enforcing the claim, including any costs for maintaining the property prior to its
20 disposition, shall be deducted from this amount.

21 [(l)] (M) It is the purpose and intent of this section that the Health Services
22 Cost Review Commission, the Health Resources Planning Commission, and the
23 Authority consult with each other and take into account each others'
24 recommendations in making the determinations required to be made under this
25 section.

26 [(m)] (N) Notwithstanding any other provision of this section, in any suit,
27 action or proceeding involving the validity or enforceability of any bond or note or any
28 security for a bond or note, the determinations of the Authority under this section
29 shall be conclusive and binding.

30 [(n)] (O) The Health Services Cost Review Commission, the Health Resources
31 Planning Commission, or the Authority may waive any notice required to be given to
32 it under this section.

33 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Institute
34 for Emergency Medical Services System shall develop standard procedures in
35 accordance with the State Emergency Medical Services Plan for the transport of
36 individuals in need of emergency or urgent care to limited services hospitals.

37 ~~SECTION 2. 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take
38 effect October 1, 1999.

