

SENATE BILL 899

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2002 Regular Session  
2lr3026  
CF 2lr3046

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By: **Senators Lawlah, Currie, Exum, Green, Miller, Pinsky, and Schrader  
Schrader, and Dorman**

Constitutional Requirements Complied with for Introduction in the last 35 Days of  
Session

Introduced and read first time: March 14, 2002

Assigned to: Rules

Re-referred to: Budget and Taxation, March 22, 2002

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 3, 2002

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Prince George's Hospital System Improvement Task Force**

3 FOR the purpose of establishing the Prince George's Hospital System Improvement  
4 Task Force; providing for the composition of the Task Force; requiring the  
5 Governor to appoint the chairman of the Task Force; providing for staffing for  
6 the Task Force; prohibiting a member of the Task Force from receiving  
7 compensation while authorizing members of the Task Force to receive  
8 reimbursement for expenses; requiring the Task Force to study and make  
9 recommendations about certain issues; requiring the Task Force to submit a  
10 certain report to certain parties on or before a certain date; defining certain  
11 terms; providing that if certain entities are subject to acquisition before a  
12 certain date, the Secretary of Health and Mental Hygiene may require a certain  
13 grant to become payable to the State; authorizing the Secretary to require  
14 execution of a certain instrument as a condition of disbursement of certain  
15 funds; providing that if certain entities are subject to a bankruptcy proceeding,  
16 a certain grant may not be considered an asset of certain entities and the  
17 Secretary shall require a certain grant to become payable to the State; requiring  
18 the Attorney General to notify certain individuals after receipt of a certain  
19 application; providing for the termination of certain provisions of this Act  
20 subject to a certain contingency; providing for the termination of this Act;  
21 providing for the termination of this Act; and generally relating to the Prince  
22 George's Hospital System Improvement Task Force.

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
2 MARYLAND, That:

3 (a) There is a Prince George's Hospital System Improvement Task Force.

4 (b) The Task Force consists of the following members:

5 (1) One member of the Senate of Maryland, appointed by the President  
6 of the Senate;

7 (2) One member of the House of Delegates appointed by the Speaker of  
8 the House;

9 (3) The Secretary of Health and Mental Hygiene;

10 (4) The Prince George's County Executive or the County Executive's  
11 designee;

12 (5) The Chief of Staff from the Office of the Governor or the Chief's  
13 designee; ~~and~~

14 (6) One member of the Prince George's County Council, appointed by the  
15 Chairman of the Prince George's County Council; and

16 ~~(6)~~ (7) The following members, appointed jointly by the Governor and  
17 the Prince George's County Executive:

18 (i) Two representatives from Prince George's Hospital System;

19 (ii) Two representatives of the University of Maryland Medical  
20 Systems;

21 (iii) One hospital finance expert;

22 (iv) One capital finance expert;

23 (v) One attorney with experience in health care;

24 (vi) Two representatives from physician practices working with the  
25 Prince George's Hospital System;

26 (vii) One community leader with experience representing public  
27 interests;

28 (viii) Two business community leaders;

29 (ix) One nurse representative from Prince George's Hospital  
30 System;

31 (x) One representative from the managed care industry;

- 1 (xi) One representative with experience in a teaching hospital who  
2 is not from the Prince George's Hospital System; and
- 3 (xii) One representative from the union representing the Prince  
4 George's Hospital System's employees.
- 5 (c) The Governor shall designate the chairman of the Task Force.
- 6 (d) The University of Maryland Medical Systems, Office of the Chief of Staff of  
7 the Governor, and the Office of the County Executive in Prince George's County shall  
8 provide staff for the Task Force.
- 9 (e) A member of the Task Force may not receive compensation for serving on  
10 the Task Force, but is entitled to reimbursement for expenses under the Standard  
11 State Travel Regulations, as provided in the State budget.
- 12 (f) The Task Force shall study and make recommendations regarding:
- 13 (1) Long-term funding and capital strategies for the Prince George's  
14 Hospital System;
- 15 (2) An examination of the total management structure and operation of  
16 the Prince George's Hospital System;
- 17 (3) A re-examination of the relationship between Prince George's County  
18 government and the Prince George's Hospital System;
- 19 (4) Enhancing existing clinical programs, strengthening and improving  
20 the quality of information systems;
- 21 (5) Engaging the right partners and stakeholders in the reform process  
22 to achieve long-term change and success; ~~and~~
- 23 (6) The environmental, strategic, and organizational factors, identified  
24 by the University of Maryland Medical System in its recent review of Dimensions  
25 Health Corporation which have contributed to the deterioration of the financial  
26 condition of Prince George's Hospital Center, including:
- 27 (i) the condition of current management;
- 28 (ii) lack of a business plan;
- 29 (iii) structure of the governing board;
- 30 (iv) an ineffective organizational model;
- 31 (v) an ineffective privatization model; and
- 32 (vi) market disadvantages, including a competitive disadvantage to  
33 Washington, D.C.; and

1           ~~(6)~~     (7)     The identification of other relevant issues and possible  
2 solutions that the Task Force determines are important to the success of the Prince  
3 George's Hospital System.

4     (g)     The Task Force shall report its findings and recommendations to the  
5 Governor and the Prince George's County Executive on or before September 30, 2004.

6     SECTION 2. AND BE IT FURTHER ENACTED, That:

7     (a)     (1)     In this section the following words have the meanings indicated.

8           (2)     "Acquisition" means:

9                     (i)     a sale, lease, transfer, merger, or joint venture that results in  
10 the disposal of the assets of the Prince George's Hospital Center to a for profit  
11 corporation or entity or to a mutual benefit corporation or entity when a substantial  
12 or significant portion of the assets of the Prince George's Hospital System are  
13 involved or will be involved in the agreement or transaction;

14                    (ii)     a public offering of stock; or

15                    (iii)    a conversion to a for profit entity.

16           (3)     "State operating grant" means any funds appropriated to the  
17 Department of Health and Mental Hygiene in the fiscal 2003 budget for the purpose  
18 of assisting the Prince George's Hospital Center in achieving financial stability.

19     (b)     If the Dimensions Health Corporation or the Prince George's Hospital  
20 Center is subject to acquisition on or before July 1, 2003, the Secretary of Health and  
21 Mental Hygiene shall require that the State operating grant, in whole or in part,  
22 become immediately due and payable as a debt owed to the State.

23     (c)     If the Dimensions Health Corporation or the Prince George's Hospital  
24 Center is subject to a bankruptcy proceeding on or before July 1, 2003:

25           (1)     the State operating grant may not be considered an asset of  
26 Dimensions Health Care Corporation or the Prince George's Hospital Center for the  
27 purposes of the bankruptcy proceeding; and

28           (2)     the Secretary of Health and Mental Hygiene shall require that the  
29 State operating grant, in whole or in part, become immediately due and payable as a  
30 debt owed to the State.

31     (d)     The Department of Health and Mental Hygiene may require, as a  
32 condition of the disbursement of the State operating grant, the execution of any  
33 instrument sufficient to protect the security interest of the State in the State  
34 operating grant funds under this section.

1 (e) Upon the receipt of an application for the acquisition of Prince George's  
2 Hospital Center, the Attorney General shall immediately notify the Secretary of  
3 Health and Mental Hygiene and the Prince George's County Executive.

4 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
5 take effect June 1, 2002. If an acquisition of Prince George's Hospital Center, as  
6 defined in Section 2 of this Act, takes place before September 30, 2004, Section 1 of  
7 this Act shall be abrogated and of no further force and effect.

8 ~~SECTION 4.~~ AND BE IT FURTHER ENACTED, That this Act shall take  
9 effect ~~October~~ June 1, 2002. ~~It~~ Except as provided in Section 3 of this Act, this Act  
10 shall remain effective for a period of 2 years ~~and 4 months~~ and, at the end of  
11 September 30, 2004, with no further action required by the General Assembly, this  
12 Act shall be abrogated and of no further force and effect.