

SENATE BILL 424

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HB 909/02 - ENV

2003 Regular Session
3lr0793
CF 3lr2165

By: **Senators Della, DeGrange, Gladden, Jimeno, Jones, Kasemeyer, Kelley,
and McFadden**

Introduced and read first time: January 31, 2003

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Hospitals - Certificate of Need - Open Heart Surgery**

3 FOR the purpose of requiring the Maryland Health Care Commission to grant a
4 certificate of need for open heart surgery to certain hospitals; providing for the
5 requirements to be met by hospitals applying for the certificate of need;
6 requiring the Commission to adopt certain regulations; defining certain terms;
7 and generally relating to certificates of need for cardiac procedures granted to
8 hospitals by the Maryland Health Care Commission.

9 BY repealing and reenacting, with amendments,
10 Article - Health - General
11 Section 19-120(j)
12 Annotated Code of Maryland
13 (2000 Replacement Volume and 2002 Supplement)

14 BY adding to
15 Article - Health - General
16 Section 24-1101 and 24-1102 to be under the new subtitle "Subtitle 11. Open
17 Heart Surgery Certificate of Need"
18 Annotated Code of Maryland
19 (2000 Replacement Volume and 2002 Supplement)

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

22 **Article - Health - General**

23 19-120.

24 (j) (1) [A] SUBJECT TO TITLE 24, SUBTITLE 11 OF THIS ARTICLE, A
25 certificate of need is required before the type or scope of any health care service is
26 changed if the health care service is offered:

27 (i) By a health care facility;

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

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

3 (2) This subsection does not apply if:

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

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

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

11 1. Establishment of a new medical service or elimination of
12 an existing medical service;

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

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

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

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

24 2. The Commission in its sole discretion finds that the
25 proposed change:

26 A. Is pursuant to the consolidation or merger of 2 or more
27 health care facilities, the conversion of a health care facility or part of a facility to a
28 nonhealth-related use, or the conversion of a hospital to a limited service hospital;

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

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

33 D. Is in the public interest; and

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

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

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

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

8 (iii) Before a transfer of ownership of any branch office of a home
9 health agency or home health care service of an existing health care facility that
10 separates the ownership of the branch office from the home health agency or home
11 health care service of an existing health care facility which established the branch
12 office; or

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

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

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

20 SUBTITLE 11. OPEN HEART SURGERY CERTIFICATE OF NEED.

21 24-1101.

22 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

24 (B) "COMMISSION" MEANS THE MARYLAND HEALTH CARE COMMISSION.

25 (C) "INTERVENTIONAL CARDIAC PROCEDURES" MEANS ALL CORONARY
26 REVASCULARIZATION PROCEDURES RELATING TO CARDIAC CARE EXCEPT FOR
27 DIAGNOSTIC CATHETERIZATION PROCEDURES.

28 24-1102.

29 (A) THE COMMISSION SHALL GRANT A CERTIFICATE OF NEED FOR OPEN
30 HEART SURGERY TO A HOSPITAL THAT:

31 (1) FILES AN APPLICATION UNDER THIS SECTION;

32 (2) HAS PARTICIPATED IN THE CARDIOVASCULAR PATIENT OUTCOMES
33 RESEARCH TRIAL;

1 (3) HAS DIAGNOSED OR TREATED AT LEAST 500 PATIENTS WITHIN THE
2 12 MONTHS PRIOR TO THE APPLICATION WHO HAVE:

3 (I) RECEIVED INTERVENTIONAL CARDIAC PROCEDURES AT THE
4 HOSPITAL; OR

5 (II) BEEN TRANSPORTED OR REFERRED FROM THE HOSPITAL TO
6 HOSPITALS WITH OPEN HEART SURGERY PROGRAMS FOR INTERVENTIONAL
7 CARDIAC PROCEDURES; AND

8 (4) DEMONSTRATES CLINICAL AND RESOURCE CAPACITY FOR AN OPEN
9 HEART SURGERY PROGRAM.

10 (B) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THIS
11 SUBTITLE, INCLUDING ESTABLISHING THE APPLICATION PROCESS FOR HOSPITALS
12 UNDER THIS SECTION.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2003.