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By: **Delegates Hurson, Hammen, Cryor, Dumais, Feldman, Barkley, King, Stern, Barve, Costa, Donoghue, Franchot, Gordon, Hixson, Hubbard, Mandel, Murray, Ross, Taylor, and Weldon Weldon, Benson, Boteler, Bromwell, Elliott, Frank, Kullen, McDonough, Oaks, Pendergrass, Rudolph, and V. Turner**

Introduced and read first time: February 1, 2005  
Assigned to: Health and Government Operations

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 24, 2005

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Hospitals – Emergency Department Services – Satellite Locations**  
3 **Freestanding Medical Facilities - Licensing and Pilot Project**

4 ~~FOR the purpose of exempting from certificate of need requirements the~~  
5 ~~establishment of certain emergency department services at a satellite location of~~  
6 ~~an acute care general hospital under certain circumstances; altering certain~~  
7 ~~definitions; providing for the application of this Act; and generally relating to~~  
8 ~~the regulation of hospital emergency department services at satellite locations.~~

9 FOR the purpose of requiring the Department of Health and Mental Hygiene to adopt  
10 regulations for licensing a certain freestanding medical facility; requiring a  
11 freestanding medical facility to meet certain standards; requiring the  
12 Department to issue a license to a freestanding medical facility that meets  
13 licensure requirements and receives approval from the Maryland Health Care  
14 Commission; providing for a certain exception; authorizing the Department to  
15 impose certain sanctions against a freestanding medical facility under certain  
16 circumstances; requiring the Department, before imposing certain sanctions, to  
17 give notice and the opportunity for a hearing and judicial review under the  
18 Administrative Procedure Act; requiring the Department, before imposing a  
19 directed plan of correction, to give notice and the opportunity for a certain  
20 informal hearing; establishing a freestanding medical facility pilot project;  
21 requiring the Department to issue a freestanding medical facility license to a  
22 freestanding medical facility pilot project under certain circumstances;  
23 requiring a freestanding medical facility pilot project to provide to the Maryland

1 Health Care Commission certain information; providing that a certificate of  
2 need is not required for a freestanding medical facility pilot project; requiring  
3 certain entities to pay claims submitted by a freestanding medical facility pilot  
4 project at certain rates; requiring the Maryland Medical Assistance Program to  
5 pay certain claims at a certain rate; requiring certain provisions of law to apply  
6 to a freestanding medical facility pilot project; requiring certain provisions of  
7 law to apply to health maintenance organizations; requiring the Maryland  
8 Health Care Commission, in consultation with the Health Services Cost Review  
9 Commission and the Department of Health and Mental Hygiene, to propose  
10 emergency regulations to establish a certain review process; requiring the  
11 regulations to include certain processes, criteria, and notice and hearing  
12 requirements; requiring a certain facility to provide certain information to the  
13 Maryland Health Care Commission; providing for an exemption from the review  
14 process; requiring the Maryland Health Care Commission, in consultation with  
15 the Health Services Cost Review Commission, to conduct a certain study and  
16 report the findings of the study to certain committees of the General Assembly  
17 on or before a certain date; requiring the Health Services Cost Review  
18 Commission and Shady Grove Adventist Hospital to report to certain  
19 committees of the General Assembly on or before a certain date on certain  
20 progress with regard to the freestanding medical facility pilot project; requiring  
21 certain entities to report to certain committees of the General Assembly on or  
22 before a certain date on the status of certain negotiations; altering the definition  
23 of "freestanding medical facility" to provide that it is a facility that is an  
24 administrative part of a hospital or related institution; and generally relating to  
25 licensing of freestanding medical facilities and a freestanding medical facility  
26 pilot project.

27 BY adding to  
28 Article - Health - General  
29 Section ~~19-120(p)~~ 19-131, 19-3A-07, and 19-706(ddd)  
30 Annotated Code of Maryland  
31 (2000 Replacement Volume and 2004 Supplement)

32 BY repealing and reenacting, with amendments,  
33 Article - Health - General  
34 Section ~~19-201(d)(1)~~ and 19-301(g) 19-3A-01 through 19-3A-03 and 19-3A-05  
35 Annotated Code of Maryland  
36 (2000 Replacement Volume and 2004 Supplement)

37 BY repealing and reenacting, without amendments,  
38 Article - Health - General  
39 Section ~~19-301(a)~~ 19-3A-04 and 19-3A-06  
40 Annotated Code of Maryland  
41 (2000 Replacement Volume and 2004 Supplement)

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

3 **Article - Health - General**

4 ~~19-120.~~

5 ~~(P) A SEPARATE SATELLITE EMERGENCY DEPARTMENT LOCATION OF AN  
6 ACUTE CARE GENERAL HOSPITAL MAY BE ESTABLISHED WITHOUT A CERTIFICATE  
7 OF NEED IF:~~

8 ~~(1) THE SATELLITE EMERGENCY DEPARTMENT LOCATION IS  
9 ESTABLISHED BY, AND WILL OPERATE ADMINISTRATIVELY AS PART OF, AN ACUTE  
10 CARE GENERAL HOSPITAL;~~

11 ~~(2) THE ACUTE CARE GENERAL HOSPITAL IS PART OF A MERGED ASSET  
12 SYSTEM WITH ALL OF ITS EXISTING MARYLAND ACUTE CARE GENERAL HOSPITALS  
13 LOCATED IN A SINGLE JURISDICTION;~~

14 ~~(3) THE SATELLITE EMERGENCY DEPARTMENT LOCATION WILL  
15 OPERATE IN THE SAME JURISDICTION;~~

16 ~~(4) ONE OR MORE OF THE EXISTING ACUTE CARE GENERAL HOSPITALS  
17 IN THE MERGED ASSET SYSTEM HAS AN EMERGENCY DEPARTMENT VOLUME OF  
18 75,000 OR MORE VISITS FOR THE 12 MONTHS ENDING JUNE 30, 2004;~~

19 ~~(5) THERE ARE NOT MORE THAN 5 ACUTE CARE GENERAL HOSPITALS IN  
20 THE JURISDICTION; AND~~

21 ~~(6) THE CAPITAL EXPENDITURE TO IMPLEMENT THE SATELLITE  
22 EMERGENCY DEPARTMENT LOCATION OTHERWISE MEETS THE REQUIREMENTS OF  
23 SUBSECTION (K)(5)(VIII) OF THIS SECTION.~~

24 ~~19-201.~~

25 ~~(d) (1) "Hospital services" means:~~

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

28 ~~(ii) Emergency services, INCLUDING EMERGENCY DEPARTMENT  
29 SERVICES PROVIDED AT A SATELLITE LOCATION ESTABLISHED BY AN ACUTE CARE  
30 GENERAL HOSPITAL UNDER § 19-120(P) OF THIS TITLE, WHICH FOR RATE SETTING  
31 PURPOSES SHALL BE CONSIDERED PART OF THAT HOSPITAL;~~

32 ~~(iii) Outpatient services provided at the hospital; and~~

33 ~~(iv) Identified physician services for which a facility has  
34 Commission approved rates on June 30, 1985.~~

1 ~~19-301.~~

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

3 (g) (1) ~~"Hospital" means an institution that:~~

4 ~~{(1)} (I) Has a group of at least 5 physicians who are organized as a~~  
5 ~~medical staff for the institution;~~

6 ~~{(2)} (II) Maintains facilities to provide, under the supervision of the~~  
7 ~~medical staff, diagnostic and treatment services for 2 or more unrelated individuals;~~  
8 ~~and~~

9 ~~{(3)} (III) Admits or retains the individuals for overnight care.~~

10 ~~(2) "HOSPITAL" INCLUDES A SATELLITE LOCATION, OPERATED BY AN~~  
11 ~~ACUTE CARE GENERAL HOSPITAL, AT WHICH EMERGENCY DEPARTMENT SERVICES~~  
12 ~~ARE PROVIDED, SEPARATE FROM THE LOCATION AT WHICH OVERNIGHT CARE IS~~  
13 ~~RENDERED.~~

14 19-131.

15 (A) ON OR BEFORE JULY 1, 2008, THE COMMISSION, IN CONSULTATION WITH  
16 THE HEALTH SERVICES COST REVIEW COMMISSION AND THE DEPARTMENT OF  
17 HEALTH AND MENTAL HYGIENE, SHALL PROPOSE EMERGENCY REGULATIONS TO  
18 ESTABLISH A REVIEW PROCESS TO APPROVE FACILITIES IN THE STATE THAT MAY  
19 SEEK LICENSURE AS A FREESTANDING MEDICAL FACILITY, AS PROVIDED IN  
20 SUBTITLE 3A OF THIS TITLE.

21 (B) THE REGULATIONS SHALL INCLUDE:

22 (1) A PROCESS TO IDENTIFY AREAS OF THE STATE IN WHICH A  
23 FREESTANDING MEDICAL FACILITY COULD MEET HEALTH CARE SERVICE DELIVERY  
24 NEEDS;

25 (2) A PROCESS FOR SUBMITTING AND ACTING ON APPLICATIONS;

26 (3) CRITERIA FOR EVALUATING AND APPROVING APPLICATIONS,  
27 INCLUDING:

28 (I) DOCUMENTATION THAT THE PROPOSED FREESTANDING  
29 MEDICAL FACILITY WILL MEET THE LICENSURE REQUIREMENTS OF SUBTITLE 3A OF  
30 THIS TITLE;

31 (II) THE EFFICIENCY AND EFFECTIVENESS OF THE PROPOSED  
32 FREESTANDING MEDICAL FACILITY IN MEETING THE HEALTH CARE NEEDS OF THE  
33 HEALTH PLANNING REGION;

34 (III) THE TYPES OF EQUIPMENT AND LEVEL OF STAFFING  
35 SPECIFIED, IN RELATION TO THE SERVICES THE FREESTANDING MEDICAL FACILITY  
36 PROPOSES TO PROVIDE; AND

1 (IV) COSTS TO BOTH PUBLIC AND PRIVATE PAYERS; AND

2 (4) APPROPRIATE NOTICE AND OPPORTUNITY FOR A HEARING AND  
3 JUDICIAL REVIEW, IN ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURE ACT.

4 (C) A FACILITY THAT IS APPROVED UNDER THIS SECTION TO SEEK  
5 LICENSURE AS A FREESTANDING MEDICAL FACILITY SHALL PROVIDE TO THE  
6 COMMISSION INFORMATION, AS SPECIFIED BY THE COMMISSION, ON THE  
7 CONFIGURATION, LOCATION, OPERATION, AND UTILIZATION, INCLUDING  
8 PATIENT-LEVEL UTILIZATION, OF THE FREESTANDING MEDICAL FACILITY.

9 (D) A FREESTANDING MEDICAL FACILITY PILOT PROJECT IS EXEMPT FROM  
10 THE REVIEW PROCESS IN SUBSECTIONS (A) AND (B) OF THIS SECTION.

11 19-3A-01.

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

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

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

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

17 19-3A-02.

18 (A) [The] ON OR BEFORE JANUARY 1, 2006, THE Department shall adopt  
19 regulations for [certifying] LICENSING a freestanding medical facility that uses in its  
20 title or advertising the [words] WORD "emergency"[, "urgent care", or parts of those  
21 words] or other language indicating to the public that medical treatment for  
22 immediately life-threatening medical conditions is available at that freestanding  
23 medical facility. [, which shall include the following standards:

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

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

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

31 (4) Basic X-ray and laboratory facilities shall be available at the  
32 freestanding medical facility and operable at all times by 1 radiology technician and  
33 1 laboratory technician;

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

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

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

6           (8)     Availability of emergency services to all persons regardless of ability  
7 to pay;

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

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

15        (B)     THE REGULATIONS SHALL REQUIRE THE FREESTANDING MEDICAL  
16 FACILITY TO:

17           (1)     BE OPEN 24 HOURS A DAY, 7 DAYS A WEEK;

18           (2)     HAVE AVAILABLE AT ALL TIMES;

19           (I)     AT LEAST 1 PHYSICIAN WHO IS CREDENTIALLED IN EMERGENCY  
20 MEDICINE BY THE HOSPITAL OF WHICH THE FREESTANDING MEDICAL FACILITY IS  
21 AN ADMINISTRATIVE PART;

22           (II)    A SUFFICIENT NUMBER OF REGISTERED NURSES AND OTHER  
23 HEALTH CARE PROFESSIONALS TO PROVIDE ADVANCED LIFE SUPPORT;

24           (III)    BASIC DIAGNOSTIC AND LABORATORY FACILITIES AND  
25 TECHNICIANS;

26           (IV)    RESUSCITATION SUPPLIES AND EQUIPMENT, INCLUDING  
27 MONITORS, DEFIBRILLATORS, CARDIAC MEDICATIONS, INTUBATION EQUIPMENT,  
28 AND INTRAVENOUS LINE EQUIPMENT;

29           (V)     A COMMERCIAL AMBULANCE FOR TRANSPORT OF INDIVIDUALS  
30 IN NEED OF HOSPITALIZATION OR OTHER EMERGENCY CARE; AND

31           (V)     EMERGENCY SERVICES TO ALL INDIVIDUALS, REGARDLESS OF  
32 ABILITY TO PAY;

33           (3)     COMPLY WITH ALL MARYLAND INSTITUTE FOR EMERGENCY  
34 MEDICAL SERVICES SYSTEMS EMERGENCY TRANSPORT PROTOCOLS ESTABLISHED  
35 FOR THE FREESTANDING MEDICAL FACILITY;

1           (4)    (I)    COMPLY, EXCEPT IN A LIFE-THREATENING EMERGENCY IN  
2 WHICH COMPLIANCE IS NOT FEASIBLE OR PRACTICABLE, WITH THE FEDERAL  
3 CENTERS FOR DISEASE CONTROL GUIDELINES ON UNIVERSAL PRECAUTIONS; AND

4                   (II)    DISPLAY THE NOTICE DEVELOPED UNDER § 1-207 OF THE  
5 HEALTH OCCUPATIONS ARTICLE THAT EXPLAINS THE FEDERAL CENTERS FOR  
6 DISEASE CONTROL'S GUIDELINES ON UNIVERSAL PRECAUTIONS AT THE ENTRANCE  
7 TO THE FREESTANDING MEDICAL FACILITY;

8           (5)    REFRAIN FROM USE OF THE WORDS "EMERGENCY DEPARTMENT",  
9 "EMERGENCY ROOM", OR "HOSPITAL"; AND

10          (6)    MEET ANY OTHER STANDARD THAT THE SECRETARY DEEMS  
11 NECESSARY TO ENSURE THE QUALITY AND SAFETY OF SERVICES PROVIDED BY A  
12 FREESTANDING MEDICAL FACILITY.

13 19-3A-03.

14    (a)    The Department shall issue a [certificate] LICENSE to a freestanding  
15 medical facility that:

16           (1)    [meets the certification] MEETS THE LICENSURE requirements  
17 under this [section] SUBTITLE; AND

18           (2)    RECEIVES APPROVAL FROM THE MARYLAND HEALTH CARE  
19 COMMISSION UNDER THE REGULATIONS REQUIRED UNDER § 19-131 OF THIS TITLE.

20    (b)    A freestanding medical facility that uses in its title or advertising the  
21 [words] WORD "emergency"[, "urgent care", or parts of those words] or other  
22 language indicating to the public that medical treatment for immediately  
23 life-threatening medical conditions exist at that facility shall be [certified]  
24 LICENSED by the Department before it may operate in this State.

25    (C)    NOTWITHSTANDING SUBSECTION (A)(2) OF THIS SECTION, THE  
26 DEPARTMENT MAY NOT REQUIRE A FREESTANDING MEDICAL FACILITY PILOT  
27 PROJECT TO BE APPROVED BY THE MARYLAND HEALTH CARE COMMISSION AS A  
28 CONDITION OF LICENSURE.

29 19-3A-04.

30    The governing body of any county may adopt rules and regulations governing  
31 freestanding medical facilities more restrictive than the regulations adopted by the  
32 Department.

33 19-3A-05.

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

1 (b) (1) If a freestanding medical facility fails to comply with the  
2 requirements of § 19-3A-02(9) and (10) of this subtitle, the department may impose  
3 a fine of up to \$500 per day per violation for each day a violation continues. IN  
4 ADDITION TO OTHER PENALTIES AVAILABLE UNDER LAW, THE DEPARTMENT MAY  
5 IMPOSE SANCTIONS AGAINST A FREESTANDING MEDICAL FACILITY THAT FAILS TO  
6 COMPLY WITH THIS SUBTITLE OR REGULATIONS ADOPTED UNDER THIS SUBTITLE.

7 (2) THE SANCTIONS IMPOSED BY THE DEPARTMENT UNDER PARAGRAPH  
8 (1) OF THIS SUBSECTION INCLUDE:

9 (I) A CIVIL PENALTY NOT TO EXCEED \$10,000;

10 (II) RESTRICTIONS ON THE OPERATION OF THE FREESTANDING  
11 MEDICAL FACILITY;

12 (III) A DIRECTED PLAN OF CORRECTION; AND

13 (IV) SUSPENSION OR REVOCATION OF THE FREESTANDING  
14 MEDICAL FACILITY'S LICENSE.

15 (C) (1) EXCEPT AS OTHERWISE PROVIDED UNDER THE ADMINISTRATIVE  
16 PROCEDURE ACT, BEFORE THE DEPARTMENT MAY IMPOSE SANCTIONS UNDER  
17 SUBSECTION (B)(2)(I), (II), OR (IV) OF THIS SECTION, THE DEPARTMENT SHALL GIVE  
18 THE FREESTANDING MEDICAL FACILITY NOTICE AND THE OPPORTUNITY FOR A  
19 HEARING AND JUDICIAL REVIEW UNDER THE ADMINISTRATIVE PROCEDURE ACT, AS  
20 PROVIDED IN TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

21 (2) BEFORE THE DEPARTMENT MAY IMPOSE A DIRECTED PLAN OF  
22 CORRECTION, THE DEPARTMENT SHALL GIVE THE FREESTANDING MEDICAL  
23 FACILITY NOTICE AND THE OPPORTUNITY FOR A PROMPT INFORMAL HEARING WITH  
24 THE DIRECTOR OF THE OFFICE OF HEALTH CARE QUALITY.

25 19-3A-06.

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

29 19-3A-07.

30 (A) THERE IS A FREESTANDING MEDICAL FACILITY PILOT PROJECT.

31 (B) THE DEPARTMENT SHALL ISSUE A FREESTANDING MEDICAL FACILITY  
32 LICENSE TO ONE FREESTANDING MEDICAL FACILITY PILOT PROJECT IF:

33 (1) THE FREESTANDING MEDICAL FACILITY PILOT PROJECT IS  
34 ESTABLISHED BY, AND WILL OPERATE ADMINISTRATIVELY AS PART OF, AN ACUTE  
35 CARE GENERAL HOSPITAL;



1           (2)     THE ACUTE CARE GENERAL HOSPITAL IS PART OF A MERGED ASSET  
2 SYSTEM WITH ALL OF ITS EXISTING MARYLAND ACUTE CARE GENERAL HOSPITALS  
3 LOCATED IN A SINGLE JURISDICTION;

4           (3)     THERE ARE NOT MORE THAN 5 ACUTE CARE GENERAL HOSPITALS IN  
5 THE JURISDICTION;

6           (4)     ONE OR MORE OF THE EXISTING ACUTE CARE GENERAL HOSPITALS  
7 IN THE MERGED ASSET SYSTEM HAS AN EMERGENCY DEPARTMENT VOLUME OF  
8 75,000 OR MORE VISITS FOR THE 12 MONTHS ENDING JUNE 30, 2004;

9           (5)     THE FREESTANDING MEDICAL FACILITY PILOT PROJECT WILL  
10 OPERATE IN MONTGOMERY COUNTY;

11          (6)     THE CAPITAL EXPENDITURE TO IMPLEMENT THE FREESTANDING  
12 MEDICAL FACILITY PILOT PROJECT OTHERWISE MEETS THE REQUIREMENTS OF §  
13 19-120(K)(5)(VIII) OF THIS TITLE; AND

14          (7)     THE FREESTANDING MEDICAL FACILITY PILOT PROJECT MEETS THE  
15 REQUIREMENTS UNDER § 19-3A-02(B) OF THIS SUBTITLE.

16    (C)    (1)     A FREESTANDING MEDICAL FACILITY PILOT PROJECT SHALL  
17 PROVIDE TO THE MARYLAND HEALTH CARE COMMISSION INFORMATION, AS  
18 SPECIFIED BY THE COMMISSION, ON THE CONFIGURATION, LOCATION, OPERATION,  
19 AND UTILIZATION, INCLUDING PATIENT-LEVEL UTILIZATION, OF THE PILOT  
20 PROJECT.

21          (2)     A CERTIFICATE OF NEED IS NOT REQUIRED FOR A FREESTANDING  
22 MEDICAL FACILITY PILOT PROJECT.

23    (D)    (1)     THIS SUBSECTION APPLIES TO:

24                    (I)     INDIVIDUAL, GROUP, OR BLANKET HEALTH INSURANCE  
25 POLICIES AND CONTRACTS DELIVERED OR ISSUED FOR DELIVERY IN THE STATE BY  
26 INSURERS, NONPROFIT HEALTH SERVICE PLANS, HEALTH MAINTENANCE  
27 ORGANIZATIONS; AND

28                    (II)    MEDICAID MANAGED CARE ORGANIZATIONS.

29          (2)     AN ENTITY SUBJECT TO THIS SUBSECTION SHALL PAY THE CLAIM  
30 FOR COVERED SERVICES SUBMITTED BY A FREESTANDING MEDICAL FACILITY PILOT  
31 PROJECT AT RATES CONSISTENT WITH THE CONTRACT BETWEEN THE ENTITY AND  
32 THE FREESTANDING MEDICAL FACILITY PILOT PROJECT.

33    (E)    THE MARYLAND MEDICAL ASSISTANCE PROGRAM SHALL PAY A  
34 FEE-FOR-SERVICE CLAIM SUBMITTED BY A FREESTANDING MEDICAL FACILITY  
35 PILOT PROJECT AT A RATE AT LEAST EQUAL TO THE RATE PAID BY MEDICARE.

36    (F)    THE PROVISIONS OF §§ 19-3A-01 THROUGH 19-3A-06 SHALL APPLY TO A  
37 FREESTANDING MEDICAL FACILITY PILOT PROJECT.

1 19-706.

2 (DDD) THE PROVISIONS OF § 19-3A-07(D) OF THIS TITLE APPLY TO HEALTH  
3 MAINTENANCE ORGANIZATIONS.

4 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Health  
5 Care Commission, in consultation with the Health Services Cost Review Commission,  
6 shall conduct a study of the operations, utilization, and financing of freestanding  
7 medical facilities, using information on the freestanding medical facility pilot project  
8 established in Section 1 of this Act. The findings of the study shall be reported to the  
9 Senate Finance Committee and the House Health and Government Operations  
10 Committee, in accordance with § 2-1246 of the State Government Article, on or before  
11 December 31, 2007.

12 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before October 1,  
13 2005, the Health Services Cost Review Commission and Shady Grove Adventist  
14 Hospital shall report, in accordance with § 2-1246 of the State Government Article, to  
15 the Senate Finance Committee and House Health and Government Operations  
16 Committee on their progress in obtaining provider-based status from the federal  
17 Centers for Medicare and Medicaid Services for the freestanding medical facility pilot  
18 project established under § 19-3A-07, as enacted by Section 1 of this Act.

19 SECTION 4. AND BE IT FURTHER ENACTED, That on or before November 1,  
20 2005, the League of Life and Health Insurers, CareFirst, Inc., United Healthcare,  
21 Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. and Shady Grove  
22 Adventist Hospital shall report, in accordance with § 2-1246 of the State Government  
23 Article, to the Senate Finance Committee and the House Health and Government  
24 Operations Committee on the status of negotiations for payment of services at the  
25 freestanding medical facility pilot project established under § 19-3A-07, as enacted  
26 by Section 1 of this Act.

27 SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take  
28 effect ~~July 1~~ June 1, 2005 and, with respect to the application of § 19-120(k)(5)(viii) of  
29 the Health - General Article, this Act shall be implemented based on the Maryland  
30 Health Care Commission regulations in effect on that date and generally applicable to  
31 all hospital projects considered under that provision.