

# HOUSE BILL 678

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By: **Prince George's County Delegation**

Introduced and read first time: February 8, 2007

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **University of Maryland Medical System – Acquisition of Prince George’s**  
3 **County Hospital System**

4 **PG 418–07**

5 FOR the purpose of requiring the Board of Directors of the University of Maryland  
6 Medical System to request certain funding for the purpose of acquiring a certain  
7 hospital system; requiring the State Treasurer to make a certain transfer  
8 subject to certain conditions; requiring the Board of Directors to honor certain  
9 collective bargaining agreements under certain circumstances; requiring the  
10 Board of Directors to honor certain rights of certain employees under certain  
11 circumstances; requiring Prince George’s County to transfer certain assets  
12 under certain circumstances; defining certain terms; and generally relating to  
13 the acquisition of a hospital system by the University of Maryland Medical  
14 System.

15 BY repealing and reenacting, without amendments,  
16 Article – Education  
17 Section 13–301(a), (c), (i), and (m) and 13–309  
18 Annotated Code of Maryland  
19 (2006 Replacement Volume)

20 BY adding to  
21 Article – Education  
22 Section 13–309.1  
23 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2006 Replacement Volume)

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

4 **Article - Education**

5 13-301.

6 (a) In this subtitle, unless the context clearly requires otherwise, the  
7 following words have the meanings indicated.

8 (c) "Board of Directors" means the Board of Directors of the Medical System  
9 Corporation.

10 (i) "Includes" or "including" means includes or including by way of  
11 illustration and not by way of limitation.

12 (m) "Medical System Corporation" means University of Maryland Medical  
13 System Corporation, a private, nonprofit, nonstock corporation formed under the  
14 general corporation laws of this State.

15 13-309.

16 In order to provide financial independence and stability to the Medical System  
17 Corporation, there is an Operating Reserve Fund held by the Treasurer of the State  
18 for the Medical System Corporation. The Board of Directors may request funds from  
19 the Treasurer from the Operating Reserve Fund and the Treasurer, with the approval  
20 of the Board of Public Works, shall transfer the amount requested to the Medical  
21 System Corporation but only to the extent that the Operating Reserve Fund has been  
22 funded by appropriation in an annual State budget. Advances from the Operating  
23 Reserve Fund shall be treated as loans from the State, subordinate to the rights of  
24 other creditors of the Medical System Corporation, and the Board of Directors shall  
25 cause such advances to be repaid to the Treasurer as soon as the financial condition of  
26 the Medical System Corporation reasonably permits. The Treasurer shall hold any  
27 repaid advances in the Operating Reserve Fund subject to further advances to the  
28 Medical System Corporation. The moneys in the Operating Reserve Fund shall not  
29 revert to the general treasury at the end of the State's fiscal year, and all investment  
30 earnings in such Fund shall become a part of such Fund.

31 **13-309.1.**

1           (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
2 MEANINGS INDICATED.

3                   (2) “DIMENSIONS HEALTHCARE” MEANS DIMENSIONS  
4 HEALTHCARE SYSTEM, A NOT-FOR-PROFIT CORPORATION IN THE STATE.

5                   (3) “HOSPITAL SYSTEM” MEANS THE PRINCE GEORGE’S COUNTY  
6 HOSPITAL SYSTEM, CONSISTING OF THE HEALTH CARE FACILITIES IN PRINCE  
7 GEORGE’S COUNTY THAT WERE OPERATED BY DIMENSIONS HEALTHCARE ON  
8 NOVEMBER 1, 2006, INCLUDING PRINCE GEORGE’S HOSPITAL CENTER AND  
9 LAUREL REGIONAL HOSPITAL.

10                   (4) “HOSPITAL SYSTEM EMPLOYEES” MEANS EMPLOYEES OF ANY  
11 HEALTH CARE FACILITY IN THE HOSPITAL SYSTEM.

12                   (5) “OPERATING RESERVE FUND” MEANS THE FUND HELD BY  
13 THE STATE TREASURER FOR THE MEDICAL SYSTEM CORPORATION, AS  
14 PROVIDED FOR IN § 13-309 OF THIS SUBTITLE.

15           (B) (1) THE BOARD OF DIRECTORS SHALL REQUEST FUNDS FROM  
16 THE OPERATING RESERVE FUND FOR THE PURPOSE OF ACQUIRING THE  
17 HOSPITAL SYSTEM FROM DIMENSIONS HEALTHCARE.

18                   (2) THE STATE TREASURER, SUBJECT TO APPROVAL OF THE  
19 BOARD OF PUBLIC WORKS AND SUBJECT TO APPROPRIATION IN THE STATE  
20 BUDGET, SHALL TRANSFER THE FUNDS NECESSARY TO ACQUIRE THE HOSPITAL  
21 SYSTEM FROM THE OPERATING RESERVE FUND TO THE BOARD OF  
22 DIRECTORS.

23           (C) IF THE MEDICAL SYSTEM CORPORATION ACQUIRES THE HOSPITAL  
24 SYSTEM:

25                   (1) THE BOARD OF DIRECTORS SHALL HONOR ALL COLLECTIVE  
26 BARGAINING AGREEMENTS IN PLACE BETWEEN DIMENSIONS HEALTHCARE AND  
27 THE EMPLOYEES OF THE HOSPITAL SYSTEM EMPLOYEES; AND

28                   (2) THE BOARD OF DIRECTORS SHALL HONOR ALL RIGHTS OF  
29 HOSPITAL SYSTEM EMPLOYEES TO BARGAIN COLLECTIVELY THAT WERE  
30 HONORED BY DIMENSIONS HEALTHCARE.

1           **(D) IF THE MEDICAL SYSTEM CORPORATION ACQUIRES THE HOSPITAL**  
2 **SYSTEM, THEN PRINCE GEORGE'S COUNTY SHALL TRANSFER, AS A GRANT**  
3 **WITHOUT CONSIDERATION, ANY ASSET OF THE HOSPITAL SYSTEM THAT IS**  
4 **HELD BY THE COUNTY TO THE BOARD OF DIRECTORS.**

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 June 1, 2007.