

# HOUSE BILL 1373

F2, P3

71r3144

---

By: **Delegates Tarrant, Conaway, and Robinson**

Introduced and read first time: March 2, 2007

Assigned to: Rules and Executive Nominations

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – University of Maryland Medical System – Subject to State**  
3 **Access to Public Records Law**

4 FOR the purpose of making the University of Maryland Medical System subject to  
5 certain provisions of State law relating to access to public records; and generally  
6 relating to the application of the State access to public records law to the  
7 University of Maryland Medical System.

8 BY repealing and reenacting, with amendments,  
9 Article – Education  
10 Section 13–303  
11 Annotated Code of Maryland  
12 (2006 Replacement Volume)

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

15 **Article – Education**

16 13–303.

17 (a) Prior to the transfer date:

18 (1) The Board of Public Works shall approve the articles of  
19 incorporation of the Medical System Corporation which shall reflect the requirements  
20 of this subtitle; and

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2)    (I)    The Board of Regents and the Board of Directors shall take  
2 all actions necessary to create and organize the Medical System Corporation, which  
3 shall be organized for charitable, scientific, and educational purposes and shall attain  
4 and maintain exemption from federal income taxation but which shall not be a State  
5 agency, political subdivision, public body, public corporation, or municipal corporation  
6 and is not, **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH,**  
7 subject to any provisions of law affecting only governmental or public entities.

8                               **(II) THE MEDICAL SYSTEM CORPORATION SHALL BE**  
9 **SUBJECT TO THE PROVISIONS OF THE MARYLAND PUBLIC INFORMATION ACT**  
10 **UNDER TITLE 10, SUBTITLE 6, PART III OF THE STATE GOVERNMENT ARTICLE.**

11           (b)    On or after the transfer date, the Medical System Corporation shall own,  
12 lease, manage, and operate the medical system, including such components or health  
13 services as the Board of Directors may determine or agree to undertake from time to  
14 time and shall have all powers of a Maryland corporation which are not expressly  
15 limited by this subtitle; such powers include the power to convey, lease, mortgage,  
16 encumber, and otherwise deal with all its assets including the medical system assets,  
17 without limitation or regard to their source, unless a grantor or donor restricts the use  
18 of such assets; provided, however, that without in any way limiting the power to  
19 mortgage or otherwise encumber such property, any sale or lease of any land or  
20 buildings transferred on the transfer date shall be approved by the Board of Regents.

21           (c)    The Board of Directors:

22                       (1)    Shall provide for and maintain, consistent with the policies of the  
23 State Health Services Cost Review Commission or other relevant authority,  
24 comprehensive services for patient populations naturally served by University  
25 Hospital, including uncompensated care and outpatient care; and

26                       (2)    Shall maintain, create, and develop specialty care services  
27 appropriate to an academic medical institution to meet the needs of the State and  
28 region.

29           (d)    The Board of Directors shall operate the medical system without  
30 discrimination based upon race, creed, sex, or national origin.

31           (e)    The Board of Directors will conduct procurement activities consistent  
32 with minority purchasing standards applicable to State government agencies.

1           (f)     The fiscal year of the Medical System Corporation will be the same as the  
2 fiscal year of the State unless otherwise approved by the Board of Public Works.

3           (g)     The Board of Directors shall cause annual audited financial statements of  
4 the Medical System Corporation to be prepared and filed with the Governor, the Joint  
5 Audit Committee, and the Board of Regents as soon as practicable following the close  
6 of its fiscal year.

7           (h)     (1)    The Board of Directors shall prepare an annual report describing  
8 operations of the Medical System Corporation in the immediately preceding fiscal  
9 year, which shall be delivered to the Board of Regents, the Governor, and, subject to §  
10 2–1246 of the State Government Article, the General Assembly as soon as practicable  
11 following the close of its fiscal year.

12                   (2)    The report shall include information about the amount of  
13 uncompensated care provided, the number of ambulatory care visits, the number of  
14 Medicaid patient visits, the number of patient visits by subdivision during the year,  
15 and any other information relevant to the provisions of this section.

16                   (3)    The General Assembly may take the annual report into  
17 consideration when considering requests by the Medical System Corporation for  
18 financial assistance from the State, including appropriations for the operating reserve  
19 fund under § 13–309 of this subtitle.

20           (i)     Requests to the General Assembly for grants from the State for the  
21 Medical System Corporation may be submitted only with approval of the Board of  
22 Regents.

23           (j)     The Board of Directors will coordinate with University fund-raising  
24 efforts all Medical System Corporation campaigns and solicitations for private gifts  
25 and proposals for private or federal grants.

26           (k)     The Board of Directors may establish nonprofit or for-profit subsidiaries  
27 or related entities to the extent approved by the University in the annual contract.

28           (1)     The Board of Directors shall insure that the medical system shall  
29 continue to make available medical services to residents of various State institutions  
30 whose residents prior to the effective date of this legislation were served by the  
31 Hospital, including State residential centers for the mentally retarded, State mental  
32 hygiene facilities and facilities run by the State Division of Correction, as long as the  
33 administrators of those institutions continue to seek care from the Hospital for their  
34 residents in accordance with policies and legislative intent incorporated in the State  
35 budget. The Hospital is to be compensated by the institutions or other payors for this

1 care in accordance with policies of the State Health Services Cost Review Commission  
2 or other relevant authority.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2007.