

# HOUSE BILL 1375

F2, P2

71r3142

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

Introduced and read first time: March 2, 2007

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **University of Maryland Medical System – Minority Business Enterprise**  
3 **Procurement Activities**

4 FOR the purpose of requiring the Board of Directors of the University of Maryland  
5 Medical System to submit a statement and report of certain procurement  
6 policies and procedures to the Board of Public Works for approval; requiring the  
7 Board of Directors to include certain information about purchasing activities  
8 with regard to minority business enterprises in a certain statement and report  
9 it submits to certain persons each year; and generally relating to minority  
10 business enterprise procurement activities of the University of Maryland  
11 Medical System.

12 BY repealing and reenacting, with amendments,  
13 Article – Education  
14 Section 13–303  
15 Annotated Code of Maryland  
16 (2006 Replacement Volume)

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

19 **Article – Education**

20 13–303.

21 (a) Prior to the transfer date:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4           (2) The Board of Regents and the Board of Directors shall take all  
5 actions necessary to create and organize the Medical System Corporation, which shall  
6 be organized for charitable, scientific, and educational purposes and shall attain and  
7 maintain exemption from federal income taxation but which shall not be a State  
8 agency, political subdivision, public body, public corporation, or municipal corporation  
9 and is not subject to any provisions of law affecting only governmental or public  
10 entities.

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) **(1)** The Board of Directors will conduct procurement activities  
32 **IDENTICAL TO AND** consistent with minority **BUSINESS ENTERPRISE** purchasing  
33 standards applicable to State government agencies **UNDER THE STATE FINANCE**  
34 **AND PROCUREMENT ARTICLE.**

1           **(2) (I) ON OR BEFORE AUGUST 1 OF EACH YEAR, THE BOARD**  
2 **OF DIRECTORS SHALL SUBMIT A WRITTEN STATEMENT AND REPORT OF ITS**  
3 **PLANS, POLICIES, AND PROCEDURES FOR THE CONDUCT OF ITS PROCUREMENT**  
4 **ACTIVITIES, INCLUDING ITS POLICIES AND PROCEDURES FOR CONTRACTING**  
5 **WITH AND PURCHASING FROM MINORITY BUSINESS ENTERPRISES, TO THE**  
6 **BOARD OF PUBLIC WORKS FOR APPROVAL.**

7                           **(II) THE STATEMENT AND REPORT SHALL INCLUDE FULL**  
8 **DISCLOSURE OF:**

9                                   **1. ALL CONTRACTS AWARDED TO NONMINORITY AND**  
10 **MINORITY BUSINESSES DURING THE IMMEDIATELY PRECEDING FISCAL YEAR;**  
11 **AND**

12                                   **2. CONTRACTS PROPOSED AND BUDGETED FOR THE**  
13 **CURRENT FISCAL YEAR.**

14                                   **(III) THE BOARD OF PUBLIC WORKS SHALL APPROVE OR**  
15 **NOT APPROVE THE STATEMENT AND REPORT WITHIN 30 DAYS OF ITS RECEIPT.**

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

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

22           (h) (1) The Board of Directors shall prepare an annual report describing  
23 operations of the Medical System Corporation in the immediately preceding fiscal  
24 year, which shall be delivered to the Board of Regents, the Governor, and, subject to §  
25 2-1246 of the State Government Article, the General Assembly as soon as practicable  
26 following the close of its fiscal year.

27                                   (2) The report shall include information about the amount of  
28 uncompensated care provided, the number of ambulatory care visits, the number of  
29 Medicaid patient visits, the number of patient visits by subdivision during the year,  
30 **MINORITY BUSINESS ENTERPRISE PURCHASING ACTIVITIES**, and any other  
31 information relevant to the provisions of this section.

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

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

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

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

13           (l) The Board of Directors shall insure that the medical system shall  
14 continue to make available medical services to residents of various State institutions  
15 whose residents prior to the effective date of this legislation were served by the  
16 Hospital, including State residential centers for the mentally retarded, State mental  
17 hygiene facilities and facilities run by the State Division of Correction, as long as the  
18 administrators of those institutions continue to seek care from the Hospital for their  
19 residents in accordance with policies and legislative intent incorporated in the State  
20 budget. The Hospital is to be compensated by the institutions or other payors for this  
21 care in accordance with policies of the State Health Services Cost Review Commission  
22 or other relevant authority.

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