

SENATE BILL 750

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EMERGENCY BILL

7lr1434

By: **Senators Pipkin, Della, Edwards, Hogan, Jacobs, and Kittleman**

Introduced and read first time: February 12, 2007

Assigned to: Rules

Re-referred to: Finance, February 16, 2007

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2007

CHAPTER _____

1 AN ACT concerning

2 **Queen Anne's County – Health Care Facilities Regulation – Licensing of**
3 **Freestanding Medical Facilities**

4 FOR the purpose of ~~providing that a freestanding medical facility located in Queen~~
5 ~~Anne's County is exempt from a certain review process under certain~~
6 ~~circumstances; defining a certain term; establishing a freestanding medical~~
7 facility pilot project in Queen Anne's County; requiring the Department of
8 Health and Mental Hygiene to issue a freestanding medical facility license to a
9 certain freestanding medical facility pilot project under certain circumstances;
10 requiring that a certain freestanding medical facility pilot project meet certain
11 requirements; requiring a certain freestanding medical facility pilot project to
12 provide certain information to the Maryland Health Care Commission;
13 requiring certain claims submitted by a certain freestanding medical facility
14 pilot project to be paid at certain rates; requiring certain provisions of law to
15 apply to a certain freestanding medical facility pilot project; making this Act an
16 emergency measure; and generally relating to regulation of health care facilities
17 in Queen Anne's County.

18 BY repealing and reenacting, without amendments,
19 Article – Health – General

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section ~~19-3A-01~~ 19-131, 19-3A-01, and 19-3A-03
2 Annotated Code of Maryland
3 (2005 Replacement Volume and 2006 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – Health – General
6 Section ~~19-131 and 19-3A-03~~ 19-3A-07
7 Annotated Code of Maryland
8 (2005 Replacement Volume and 2006 Supplement)

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

11 **Article – Health – General**

12 19-131.

13 (a) On or before July 1, 2008, the Commission, in consultation with the
14 Health Services Cost Review Commission and the Department of Health and Mental
15 Hygiene, shall propose emergency regulations to establish a review process to approve
16 facilities in the State that may seek licensure as a freestanding medical facility, as
17 provided in Subtitle 3A of this title.

18 (b) The regulations shall include:

19 (1) A process to identify areas of the State in which a freestanding
20 medical facility could meet health care service delivery needs;

21 (2) A process for submitting and acting on applications;

22 (3) Criteria for evaluating and approving applications, including:

23 (i) Documentation that the proposed freestanding medical
24 facility will meet the licensure requirements of Subtitle 3A of this title;

25 (ii) The efficiency and effectiveness of the proposed freestanding
26 medical facility in meeting the health care needs of the health planning region;

27 (iii) The types of equipment and level of staffing specified, in
28 relation to the services the freestanding medical facility proposes to provide; and

29 (iv) Costs to both public and private payers; and

(4) Appropriate notice and opportunity for a hearing and judicial review, in accordance with the Administrative Procedure Act.

(c) A facility that is approved under this section to seek licensure as a freestanding medical facility shall provide to the Commission information, as specified by the Commission, on the configuration, location, operation, and utilization, including patient-level utilization, of the freestanding medical facility.

(d) A freestanding medical facility pilot project is exempt from the review process in subsections (a) and (b) of this section.

~~(E) A FREESTANDING MEDICAL FACILITY LOCATED IN QUEEN ANNE'S COUNTY IS EXEMPT FROM THE REVIEW PROCESS IN SUBSECTIONS (A) AND (B) OF THIS SECTION IF:~~

~~(1) THE FREESTANDING MEDICAL FACILITY AND THE HOSPITAL OF WHICH THE FACILITY IS AN ADMINISTRATIVE PART ARE LOCATED IN THE SAME COUNTY; OR~~

~~(2) (I) THE FREESTANDING MEDICAL FACILITY AND THE HOSPITAL OF WHICH THE FACILITY IS AN ADMINISTRATIVE PART ARE LOCATED IN CONTIGUOUS COUNTIES; AND~~

~~(II) THE FREESTANDING MEDICAL FACILITY IS LOCATED WITHIN 20 MILES OF THE COUNTY LINE OF THE COUNTY WHERE THE HOSPITAL OF WHICH THE FACILITY IS AN ADMINISTRATIVE PART IS LOCATED.~~

19-3A-01.

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

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

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

(3) That is an administrative part of a hospital or related institution, as defined in § 19-301 of this title.

19-3A-03.

1 (a) The Department shall issue a license to a freestanding medical facility
2 that:

3 (1) Meets the licensure requirements under this subtitle; and

4 (2) Receives approval from the Maryland Health Care Commission
5 under the regulations required under § 19–131 of this title.

6 (b) A freestanding medical facility that uses in its title or advertising the
7 word “emergency” or other language indicating to the public that medical treatment
8 for immediately life-threatening medical conditions exist at that facility shall be
9 licensed by the Department before it may operate in this State.

10 (c) Notwithstanding subsection (a)(2) of this section, the Department may
11 not require a freestanding medical facility pilot project to be approved by the
12 Maryland Health Care Commission as a condition of licensure.

13 ~~(D) NOTWITHSTANDING SUBSECTION (A)(2) OF THIS SECTION, THE~~
14 ~~DEPARTMENT MAY NOT REQUIRE A FREESTANDING MEDICAL FACILITY THAT IS~~
15 ~~LOCATED IN QUEEN ANNE’S COUNTY TO BE APPROVED BY THE MARYLAND~~
16 ~~HEALTH CARE COMMISSION AS A CONDITION OF LICENSURE IF:~~

17 ~~(1) THE FREESTANDING MEDICAL FACILITY AND THE HOSPITAL~~
18 ~~OF WHICH THE FACILITY IS AN ADMINISTRATIVE PART ARE LOCATED IN THE~~
19 ~~SAME COUNTY; OR~~

20 ~~(2) (I) THE FREESTANDING MEDICAL FACILITY AND THE~~
21 ~~HOSPITAL OF WHICH THE FACILITY IS AN ADMINISTRATIVE PART ARE LOCATED~~
22 ~~IN CONTIGUOUS COUNTIES; AND~~

23 ~~(II) THE FREESTANDING MEDICAL FACILITY IS LOCATED~~
24 ~~WITHIN 20 MILES OF THE COUNTY LINE OF THE COUNTY WHERE THE HOSPITAL~~
25 ~~OF WHICH THE FACILITY IS AN ADMINISTRATIVE PART IS LOCATED.~~

26 19–3A–07.

27 (a) There [is a] ARE TWO freestanding medical facility pilot [project]
28 PROJECTS THAT SHALL OPERATE IN TWO JURISDICTIONS IN THE STATE.

29 (b) The Department shall issue a freestanding medical facility license to:

1 (1) [one] ONE freestanding medical facility pilot project if:

2 [(1)] (I) The freestanding medical facility pilot project is established
3 by, and will operate administratively as part of, an acute care general hospital;

4 [(2)] (II) The acute care general hospital is part of a merged asset
5 system with all of its existing Maryland acute care general hospitals located in a
6 single jurisdiction;

7 [(3)] (III) There are not more than 5 acute care general hospitals in
8 the jurisdiction;

9 [(4)] (IV) One or more of the existing acute care general hospitals in
10 the merged asset system has an emergency department volume of 75,000 or more
11 visits for the 12 months ending June 30, 2004;

12 [(5)] (V) The freestanding medical facility pilot project will operate in
13 Montgomery County;

14 [(6)] (VI) The capital expenditure to implement the freestanding
15 medical facility pilot project otherwise meets the requirements of § 19–120(k)(6)(viii) of
16 this title; and

17 [(7)] (VII) The freestanding medical facility pilot project meets the
18 requirements under § 19–3A–02(b) of this subtitle; AND

19 (2) ONE FREESTANDING MEDICAL FACILITY PILOT PROJECT IF:

20 (I) THE FREESTANDING MEDICAL FACILITY PILOT
21 PROJECT IS ESTABLISHED BY, AND WILL OPERATE ADMINISTRATIVELY AS PART
22 OF, AN ACUTE CARE GENERAL HOSPITAL LOCATED IN TALBOT COUNTY;

23 (II) THE FREESTANDING MEDICAL FACILITY PILOT
24 PROJECT WILL OPERATE IN QUEEN ANNE’S COUNTY;

25 (III) THE CAPITAL EXPENDITURE TO IMPLEMENT THE
26 FREESTANDING MEDICAL FACILITY PILOT PROJECT OTHERWISE MEETS THE
27 REQUIREMENTS OF § 19–120(K)(6)(VIII) OF THIS TITLE; AND

28 (IV) THE FREESTANDING MEDICAL FACILITY PILOT
29 PROJECT MEETS THE REQUIREMENTS UNDER § 19–3A–02(B) OF THIS SUBTITLE.

1 (c) (1) A freestanding medical facility pilot project shall provide to the
2 Maryland Health Care Commission information, as specified by the Commission, on
3 the configuration, location, operation, and utilization, including patient-level
4 utilization, of the pilot project.

5 (2) A certificate of need is not required for a freestanding medical
6 facility pilot project.

7 (d) (1) This subsection applies to:

8 (i) Individual, group, or blanket health insurance policies and
9 contracts delivered or issued for delivery in the State by insurers, nonprofit health
10 service plans, health maintenance organizations; and

11 (ii) Medicaid managed care organizations.

12 (2) An entity subject to this subsection shall pay the claim for covered
13 services submitted by a freestanding medical facility pilot project at rates consistent
14 with the contract between the entity and the freestanding medical facility pilot project.

15 (e) The Maryland Medical Assistance Program shall pay a fee-for-service
16 claim submitted by a freestanding medical facility pilot project at a rate at least equal
17 to the rate paid by Medicare.

18 (f) The provisions of §§ 19-3A-01 through 19-3A-06 shall apply to a
19 freestanding medical facility pilot project.

20 SECTION 2. AND BE IT FURTHER ENACTED, That nothing in this Act shall:

21 (1) exempt a health care facility in Talbot County from the provisions
22 of §§ 19-114 through 19-131 of the Health – General Article; or

23 (2) authorize a health care facility or service to be relocated from
24 Talbot County to Queen Anne's County.

25 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act is an
26 emergency measure, is necessary for the immediate preservation of the public health
27 or safety, has been passed by a yea and nay vote supported by three-fifths of all the
28 members elected to each of the two Houses of the General Assembly, and shall take
29 effect from the date it is enacted.