

SENATE BILL 910

F2, P2

7lr3280
CF 7lr3142

By: **Senator Jones**

Introduced and read first time: February 23, 2007

Assigned to: Rules

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

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

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

18 **Article – Education**

19 13–303.

20 (a) Prior to the transfer date:

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 consistent with minority **BUSINESS ENTERPRISE** purchasing standards applicable to
33 State government agencies **UNDER THE STATE FINANCE AND PROCUREMENT**
34 **ARTICLE.**

1 **(2) THE BOARD OF DIRECTORS SHALL SUBMIT A STATEMENT OF**
2 **ITS POLICIES AND PROCEDURES FOR THE CONDUCT OF PROCUREMENT**
3 **ACTIVITIES, INCLUDING ITS POLICIES AND PROCEDURES FOR PURCHASING**
4 **FROM MINORITY BUSINESS ENTERPRISES, TO THE BOARD OF PUBLIC WORKS**
5 **FOR APPROVAL.**

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

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

12 (h) (1) The Board of Directors shall prepare an annual report describing
13 operations of the Medical System Corporation in the immediately preceding fiscal
14 year, which shall be delivered to the Board of Regents, the Governor, and, subject to §
15 2–1246 of the State Government Article, the General Assembly as soon as practicable
16 following the close of its fiscal year.

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

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

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

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

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

1 (1) The Board of Directors shall insure that the medical system shall
2 continue to make available medical services to residents of various State institutions
3 whose residents prior to the effective date of this legislation were served by the
4 Hospital, including State residential centers for the mentally retarded, State mental
5 hygiene facilities and facilities run by the State Division of Correction, as long as the
6 administrators of those institutions continue to seek care from the Hospital for their
7 residents in accordance with policies and legislative intent incorporated in the State
8 budget. The Hospital is to be compensated by the institutions or other payors for this
9 care in accordance with policies of the State Health Services Cost Review Commission
10 or other relevant authority.

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