

CHAPTER 574

(Senate Bill 750)

AN ACT concerning

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

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

BY repealing and reenacting, without amendments,
Article – Health – General
Section ~~19-3A-01~~ 19-131, 19-3A-01, and 19-3A-03
Annotated Code of Maryland
(2005 Replacement Volume and 2006 Supplement)

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

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

Article – Health – General

19–131.

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

(b) The regulations shall include:

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

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

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

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

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

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

(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.

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

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

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

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

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

~~(D) NOTWITHSTANDING SUBSECTION (A)(2) OF THIS SECTION, THE DEPARTMENT MAY NOT REQUIRE A FREESTANDING MEDICAL FACILITY THAT IS LOCATED IN QUEEN ANNE'S COUNTY TO BE APPROVED BY THE MARYLAND HEALTH CARE COMMISSION AS A CONDITION OF LICENSURE 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-07.

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

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

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

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

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

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

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

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

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

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

(2) ONE FREESTANDING MEDICAL FACILITY PILOT PROJECT IF:

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

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

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

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

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

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

(d) (1) This subsection applies to:

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

(ii) Medicaid managed care organizations.

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

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

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

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

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

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

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

Approved by the Governor, May 17, 2007.