

# SENATE BILL 1039

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EMERGENCY BILL

9lr3361  
CF HB 1486

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By: **Senators Currie, Harrington, Miller, Muse, Peters, Pinsky, and Rosapepe**  
Introduced and read first time: March 9, 2009  
Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County Hospital Authority**

3 FOR the purpose of extending the Prince George's County Hospital Authority's bidding  
4 process; clarifying the duration of a certain funding commitment of the State  
5 and Prince George's County; authorizing the Maryland Health Care  
6 Commission to make certain exemptions; requiring the Authority to make  
7 certain assessments and take certain actions regarding certain bids for the  
8 Prince George's County health care system; requiring the Authority to complete  
9 its obligations by a certain time; requiring certain agencies to serve as  
10 consultants to the Authority; specifying the role of certain agency consultants;  
11 declaring the intent of the General Assembly; making this Act an emergency  
12 measure; and generally relating to the Prince George's County Hospital  
13 Authority.

14 BY repealing and reenacting, without amendments,  
15 Article – Health – General  
16 Section 24–1602(a)  
17 Annotated Code of Maryland  
18 (2005 Replacement Volume and 2008 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Health – General  
21 Section 24–1602(b), 24–1604(b), and 24–1605(f), (h), and (k)  
22 Annotated Code of Maryland  
23 (2005 Replacement Volume and 2008 Supplement)

24 BY adding to  
25 Article – Health – General  
26 Section 24–1605(l) and (m) and 24–1605.1  
27 Annotated Code of Maryland  
28 (2005 Replacement Volume and 2008 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



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

3 **Article - Health - General**

4 24-1602.

5 (a) There is a body corporate and politic known as the Prince George's  
6 County Hospital Authority.

7 (b) The mission of the Authority is to [establish]:

8 **(1) ESTABLISH** and implement an open, transparent, and competitive  
9 bidding process for the purpose of transferring the Prince George's County health care  
10 system to one or more new owners; **AND**

11 **(2) EXTEND THE BIDDING PROCESS:**

12 **(I) AS NECESSARY TO FULFILL THE PURPOSES OF THIS**  
13 **SUBTITLE; AND**

14 **(II) IN A MANNER CONSISTENT WITH THE PURPOSES OF**  
15 **THIS SUBTITLE.**

16 24-1604.

17 (b) **(1)** Within 60 days after the Authority is established, the Governor,  
18 the County Executive, and the County Council, with input from the presiding officers  
19 and fiscal leadership of the General Assembly, shall reach agreement on the funding  
20 the State and the county will commit for support of the Prince George's County health  
21 care system if the bidding process established under § 24-1605 of this subtitle results  
22 in an agreement to transfer the Prince George's County health care system to a new  
23 owner or owners.

24 **(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
25 **PARAGRAPH, THE STATE AND THE COUNTY SHALL FULFILL THEIR AGREEMENT**  
26 **ON FUNDING FOR THE SUPPORT OF THE HEALTH CARE SYSTEM.**

27 **(II) THE STATE AND THE COUNTY SHALL BE RELIEVED OF**  
28 **SOME OR ALL OF THEIR RESPECTIVE OBLIGATIONS TO PROVIDE LONG-TERM**  
29 **FUNDING TO SUPPORT THE HEALTH CARE SYSTEM:**

30 **A. ONLY TO THE EXTENT THAT ANY FUND BALANCE**  
31 **REMAINS AFTER THE TRANSFER OF ALL THE HEALTH CARE SYSTEM'S**  
32 **COMPONENTS TO A NEW OWNER OR OWNERS; OR**

1                   **B. AFTER THE AUTHORITY HAS EXPIRED WITHOUT**  
2 **AGREEMENT ON THE TRANSFER OF ALL COMPONENTS OF THE SYSTEM TO A NEW**  
3 **OWNER OR OWNERS.**

4 24-1605.

5           (f)    **(1) THE MARYLAND HEALTH CARE COMMISSION MAY ISSUE AN**  
6 **EXEMPTION FROM CERTIFICATE OF NEED AND WAIVE THE REQUIREMENTS OF**  
7 **THE STATE HEALTH PLAN IN ORDER TO FACILITATE A RECOMMENDATION BY**  
8 **THE AUTHORITY TO RELOCATE BEDS OR SERVICES OF ALL OR PART OF A**  
9 **FACILITY.**

10           **(2)** Any health care entity that [receives the transfer] **ACQUIRES ALL**  
11 **OR PART** of the Prince George's County health care system shall be recognized as a  
12 merged asset system for certificate of need purposes under Title 19, Subtitle 1 of this  
13 article.

14           (h) Except as otherwise provided in [subsection (i) of] this section **AND §**  
15 **24-1604(B)(2) OF THIS SUBTITLE**, if the Authority fails to conduct the bidding  
16 process in accordance with the requirements, time frame, and deadlines set forth in  
17 this subtitle, the State and the county shall be relieved of their obligation to commit  
18 financial support to the Prince George's County health care system as agreed upon  
19 under § 24-1604(b) and (c) of this subtitle.

20           (k) If, at the end of the extension of time and not more than 60 days from the  
21 beginning of the 2009 General Assembly, the Authority has not reached a final  
22 agreement on the transfer of the Prince George's County health care system to a  
23 successful bidder[,]:

24           **(1)** [the] **THE** State and the county shall [be relieved of] **CONTINUE**  
25 **TO FULFILL** their [obligation to commit financial support to the Prince George's  
26 County health care system as agreed upon under § 24-1604(b) and (c)] **FUNDING**  
27 **AGREEMENT AS SET FORTH IN § 24-1604(B)(2)** of this subtitle; **AND**

28           **(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE**  
29 **AUTHORITY SHALL ASSESS ANY BID OR COMBINATION OF BIDS THE AUTHORITY**  
30 **HAS RECEIVED TO DETERMINE:**

31           **(I) WHETHER ANY BID OR COMBINATION OF BIDS SATISFY**  
32 **THE AUTHORITY'S MANDATE TO TRANSFER THE PRINCE GEORGE'S COUNTY**  
33 **HEALTH CARE SYSTEM IN ITS ENTIRETY TO A NEW OWNER OR OWNERS; AND**

1                   **(II) WHETHER ONE OR MORE BIDDERS WOULD BE CAPABLE**  
2 **OF MEETING THE REQUIREMENTS SET FORTH IN § 24-1605(C) OF THIS**  
3 **SUBTITLE AND HAS SUBMITTED A BID THAT MEETS THOSE REQUIREMENTS.**

4           **(L) IF THE AUTHORITY DETERMINES THAT ANY BID OR COMBINATION**  
5 **OF BIDS SATISFY THE REQUIREMENTS OF SUBSECTION (K) OF THIS SECTION,**  
6 **AND AFTER CONSULTATION WITH STAKEHOLDERS, THE AUTHORITY SHALL:**

7                   **(1) PROCEED TOWARDS A FINAL AGREEMENT ON THE TRANSFER**  
8 **OF THE HEALTH CARE SYSTEM; AND**

9                   **(2) NOTIFY STAKEHOLDERS IN ACCORDANCE WITH §**  
10 **24-1602(G)(2) OF THIS SUBTITLE.**

11           **(M) THE AUTHORITY SHALL COMPLETE ITS OBLIGATIONS UNDER THIS**  
12 **SECTION PRIOR TO THE EXPIRATION OF THE AUTHORITY.**

13 **24-1605.1.**

14           **(A) TO FACILITATE THE TRANSFER OF THE PRINCE GEORGE'S COUNTY**  
15 **HEALTH CARE SYSTEM UNDER § 24-1605(K)(2) OF THIS SUBTITLE, THE**  
16 **FOLLOWING AGENCIES SHALL DESIGNATE INDIVIDUALS TO SERVE AS ADVISORS**  
17 **TO THE AUTHORITY:**

18                   **(1) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;**

19                   **(2) THE PRINCE GEORGE'S COUNTY HEALTH DEPARTMENT;**

20                   **(3) THE MARYLAND HEALTH CARE COMMISSION;**

21                   **(4) THE MARYLAND HEALTH SERVICES COST REVIEW**  
22 **COMMISSION;**

23                   **(5) THE DEPARTMENT OF BUSINESS AND ECONOMIC**  
24 **DEVELOPMENT;**

25                   **(6) THE PRINCE GEORGE'S COUNTY ECONOMIC DEVELOPMENT**  
26 **CORPORATION;**

27                   **(7) THE MARYLAND HEALTH AND HIGHER EDUCATION**  
28 **FINANCING AUTHORITY;**

29                   **(8) THE MARYLAND INSTITUTE OF EMERGENCY MEDICAL**  
30 **SERVICES SYSTEM;**

1           **(9) THE GOVERNOR’S OFFICE OF HOMELAND SECURITY;**

2           **(10) THE COMMUNITY HEALTH RESOURCES COMMISSION; AND**

3           **(11) THE MARYLAND LIFE SCIENCES ADVISORY BOARD.**

4           **(B) INDIVIDUALS DESIGNATED UNDER SUBSECTION (A) OF THIS**  
5 **SECTION SHALL SERVE AS CONSULTANTS TO THE AUTHORITY AND SHALL, IF**  
6 **REQUESTED BY THE AUTHORITY:**

7           **(1) ASSIST THE AUTHORITY IN THE EVALUATION OF ANY**  
8 **PROPOSALS SUBMITTED TO THE AUTHORITY, TO THE EXTENT THAT THE**  
9 **AUTHORITY SHOULD SPECIFICALLY REQUEST THE ASSISTANCE; AND**

10           **(2) ASSIST THE AUTHORITY IN ITS DISCUSSIONS AND**  
11 **NEGOTIATIONS WITH ANY BIDDERS, TO THE EXTENT THAT THE AUTHORITY**  
12 **SHOULD SPECIFICALLY REQUEST THE ASSISTANCE.**

13           **(C) INDIVIDUALS DESIGNATED UNDER SUBSECTION (A) OF THIS**  
14 **SECTION SHALL BE SUBJECT TO ANY CONFIDENTIALITY AGREEMENTS BINDING**  
15 **ON THE AUTHORITY AND ITS STAFF.**

16           **(D) AGENCIES DESIGNATING INDIVIDUALS UNDER SUBSECTION (A) OF**  
17 **THIS SECTION MAY ADOPT APPROPRIATE INTERNAL POLICIES OR**  
18 **RESTRICTIONS TO ASSURE THE INTEGRITY OF ANY SUBSEQUENT REGULATORY**  
19 **PROCEEDINGS.**

20           SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the  
21 General Assembly that the Authority continue its bid review process and proceed  
22 towards a final agreement on the transfer of the Prince George’s County health care  
23 system as provided under Section 1 of this Act and any agreements in effect on  
24 January 1, 2009, relating to the transfer of the health care system shall remain in  
25 effect consistent with Section 1 of this Act.

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