

SENATE BILL 1039

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EMERGENCY BILL

9lr3361
CF HB 1486

By: **Senators Currie, Harrington, Miller, Muse, Peters, Pinsky, and Rosapepe**

Introduced and read first time: March 9, 2009

Assigned to: Rules

Re-referred to: Budget and Taxation, March 11, 2009

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 26, 2009

CHAPTER _____

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)

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 BY adding to
 2 Article – Health – General
 3 Section 24–1605(l) and (m) and 24–1605.1
 4 Annotated Code of Maryland
 5 (2005 Replacement Volume and 2008 Supplement)

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

8 **Article – Health – General**

9 24–1602.

10 (a) There is a body corporate and politic known as the Prince George’s
 11 County Hospital Authority.

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

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

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

17 (I) **AS NECESSARY TO FULFILL THE PURPOSES OF THIS**
 18 **SUBTITLE; AND**

19 (II) **IN A MANNER CONSISTENT WITH THE PURPOSES OF**
 20 **THIS SUBTITLE.**

21 24–1604.

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

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

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

4 ~~A~~ 1. ONLY TO THE EXTENT THAT ANY FUND BALANCE
5 REMAINS AFTER THE TRANSFER OF ALL THE HEALTH CARE SYSTEM'S
6 COMPONENTS TO A NEW OWNER OR OWNERS; OR

7 ~~B~~ 2. AFTER THE AUTHORITY HAS EXPIRED WITHOUT
8 AGREEMENT ON THE TRANSFER OF ALL COMPONENTS OF THE SYSTEM TO A NEW
9 OWNER OR OWNERS.

10 24-1605.

11 (f) (1) THE MARYLAND HEALTH CARE COMMISSION MAY ISSUE AN
12 EXEMPTION FROM CERTIFICATE OF NEED AND WAIVE THE REQUIREMENTS OF
13 THE STATE HEALTH PLAN IN ORDER TO FACILITATE A RECOMMENDATION BY
14 THE AUTHORITY TO RELOCATE BEDS OR SERVICES OF ALL OR PART OF A
15 FACILITY.

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

20 (h) Except as otherwise provided in [subsection (i) of] this section AND §
21 24-1604(B)(2) OF THIS SUBTITLE, if the Authority fails to conduct the bidding
22 process in accordance with the requirements, time frame, and deadlines set forth in
23 this subtitle, the State and the county shall be relieved of their obligation to commit
24 financial support to the Prince George's County health care system as agreed upon
25 under § 24-1604(b) and (c) of this subtitle.

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

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

34 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
35 AUTHORITY SHALL ASSESS ANY BID OR COMBINATION OF BIDS THE AUTHORITY
36 HAS RECEIVED TO DETERMINE:

1 (I) WHETHER ANY BID OR COMBINATION OF BIDS ~~SATISFY~~
2 SATISFIES THE AUTHORITY'S MANDATE TO TRANSFER THE PRINCE GEORGE'S
3 COUNTY HEALTH CARE SYSTEM IN ITS ENTIRETY TO A NEW OWNER OR OWNERS;
4 AND

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

8 (L) IF THE AUTHORITY DETERMINES THAT ANY BID OR COMBINATION
9 OF BIDS ~~SATISFY~~ SATISFIES THE REQUIREMENTS OF SUBSECTION (K) OF THIS
10 SECTION, AND AFTER CONSULTATION WITH STAKEHOLDERS, THE AUTHORITY
11 SHALL:

12 (1) PROCEED TOWARDS A FINAL AGREEMENT ON THE TRANSFER
13 OF THE HEALTH CARE SYSTEM; AND

14 (2) NOTIFY STAKEHOLDERS IN ACCORDANCE WITH §
15 24-1602(G)(2) OF THIS SUBTITLE.

16 (M) THE AUTHORITY SHALL COMPLETE ITS OBLIGATIONS UNDER THIS
17 SECTION PRIOR TO THE EXPIRATION OF THE AUTHORITY.

18 **24-1605.1.**

19 (A) TO FACILITATE THE TRANSFER OF THE PRINCE GEORGE'S COUNTY
20 HEALTH CARE SYSTEM UNDER § 24-1605(K)(2) OF THIS SUBTITLE, THE
21 FOLLOWING AGENCIES SHALL DESIGNATE INDIVIDUALS TO SERVE AS ~~ADVISORS~~
22 ADVISERS TO THE AUTHORITY:

23 (1) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;

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

25 (3) THE MARYLAND HEALTH CARE COMMISSION;

26 (4) THE MARYLAND HEALTH SERVICES COST REVIEW
27 COMMISSION;

28 (5) THE DEPARTMENT OF BUSINESS AND ECONOMIC
29 DEVELOPMENT;

30 (6) THE PRINCE GEORGE'S COUNTY ECONOMIC DEVELOPMENT
31 CORPORATION;

1 **(7) THE MARYLAND HEALTH AND HIGHER EDUCATION**
2 **FINANCING AUTHORITY;**

3 **(8) THE MARYLAND INSTITUTE OF EMERGENCY MEDICAL**
4 **SERVICES SYSTEM;**

5 **(9) THE GOVERNOR'S OFFICE OF HOMELAND SECURITY;**

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

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

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

11 **(1) ASSIST THE AUTHORITY IN THE EVALUATION OF ANY**
12 **PROPOSALS SUBMITTED TO THE AUTHORITY, TO THE EXTENT THAT THE**
13 **AUTHORITY SHOULD SPECIFICALLY REQUEST THE ASSISTANCE; AND**

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

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

20 **(D) AGENCIES DESIGNATING INDIVIDUALS UNDER SUBSECTION (A) OF**
21 **THIS SECTION MAY ADOPT APPROPRIATE INTERNAL POLICIES OR**
22 **RESTRICTIONS TO ASSURE THE INTEGRITY OF ANY SUBSEQUENT REGULATORY**
23 **PROCEEDINGS.**

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.