

CHAPTER 116

(Senate Bill 1039)

AN ACT concerning

Prince George's County Hospital Authority

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

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

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

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

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

Article – Health – General

24–1602.

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

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

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

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

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

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

24-1604.

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

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

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

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

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

24-1605.

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

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

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

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

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

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

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

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

(L) **IF THE AUTHORITY DETERMINES THAT ANY BID OR COMBINATION OF BIDS ~~SATISFY~~ SATISFIES THE REQUIREMENTS OF SUBSECTION (K) OF THIS**

SECTION, AND AFTER CONSULTATION WITH STAKEHOLDERS, THE AUTHORITY SHALL:

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

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

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

24-1605.1.

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

(1) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;

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

(3) THE MARYLAND HEALTH CARE COMMISSION;

(4) THE MARYLAND HEALTH SERVICES COST REVIEW COMMISSION;

(5) THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT;

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

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

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

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

(10) THE COMMUNITY HEALTH RESOURCES COMMISSION; AND

(11) THE MARYLAND LIFE SCIENCES ADVISORY BOARD.

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

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

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

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

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

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

SECTION 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 ye 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, April 14, 2009.