

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 799  
Finance

(Senator King, *et al.*)

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Health Care Facilities - Certificates of Need - Hospitals

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This emergency bill requires the Maryland Health Care Commission (MHCC) to docket and review an application for a certificate of need (CON) based on an “additional letter of intent” in a specified situation. In addition, MHCC has to review the CON application in a specified manner.

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Fiscal Summary

**State Effect:** The bill’s requirements can be handled with existing budgeted MHCC resources.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** “Original application” means an application docketed on or after January 1, 2009, for a CON to build an additional general hospital as a new health care facility in a jurisdiction.

“Additional letter of intent” means a letter of intent to file an application to build an additional general hospital as a new health care facility in the same jurisdiction as the jurisdiction provided for in an original application.

If MHCC has not yet reviewed and made a decision on an original application and an additional letter of intent is filed by a specified date, MHCC must review both CON applications comparatively even if the original application is pending. Based on the

definition of “original application,” the bill applies to any CON application *docketed* on or after January 1, 2009, where an additional letter of intent is filed as specified.

**Current Law:** MHCC schedules a CON review cycle every six months for CON projects. Each review cycle establishes timelines for submission of a letter of intent, a pre-application conference, and submission of the CON application. Review cycles are separated by type of CON project and staggered by jurisdiction. An application for which a review is scheduled may only be reviewed according to that schedule. Under Code of Maryland Regulations, in a case when need for additional service capacity is projected, MHCC may not docket an application until it has made a final decision on each previously docketed application for a similar project.

**Background:** Two health care entities in Montgomery County are separately proposing the addition of a new general hospital in the county. Adventist HealthCare has acquired property for a 100-bed facility in Clarksburg, which it has been planning for approximately seven years. Holy Cross Hospital recently announced plans to develop a 93-bed hospital on the Germantown campus of Montgomery College. Holy Cross filed its CON application in October 2008 during the schedule two CON review cycle for 2007-2008. In February 2009, Adventist filed a letter of intent with MHCC stating that it will apply for a CON in April. The Adventist application will then be part of the schedule one CON review cycle for 2008-2009. Though the projects are being reviewed during different review cycle schedules, both entities are anticipated to be interested parties in each other’s application process. The bill is intended to require MHCC to comparatively consider both applications filed for the development of a new hospital, as long as those applications are filed in succession of each other.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 871 (Delegate Barkley, *et al.*) - Health and Government Operations.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2009  
mcp/mwc

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