

**Department of Legislative Services**  
Maryland General Assembly  
2010 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 992

(Senator Pipkin)

Finance

Health and Government Operations

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**Applications for Certificates of Need - Notice to and Involvement of Bordering Counties**

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This bill requires the Maryland Health Care Commission (MHCC), upon receipt of an application for a certificate of need (CON) for a change in bed capacity of a health care facility or for a health care project that would create a new health care service or abolish an existing health care service, to notify each member of the governing body for each county that borders the county where the action is planned if the application relates to a hospital. For those applications, MHCC must adopt regulations to make participating entity status available to a local health department in a county that borders a county in which a proposed facility or service will be located.

The bill takes effect June 1, 2010, and applies only prospectively to applications filed on or after the date.

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**Fiscal Summary**

**State Effect:** The bill's requirements can be handled with existing governmental resources.

**Local Effect:** No direct effect on local governmental finances.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** MHCC, upon receipt of a CON application for a change in bed capacity of a health care facility or for a health care project that would create a new health care service or abolish an existing health care service, must notify:

- each member of the General Assembly in whose district the action is planned;
- each member of the governing body for the county where the action is planned;
- the county executive, mayor, or chief executive officer, if any, in whose county or city the action is planned; and
- any health care provider, third-party payor, local planning agency, or any other person MHCC knows has an interest in the application.

Any interested party may submit written comments on a CON application according to regulations established by MHCC. An interested party includes at least MHCC staff, any applicant who has submitted a competing application, any other person who can demonstrate that he or she would be adversely affected by the MHCC application decision, and a local health planning agency for a jurisdiction or region on which the proposed facility or service will be located.

**Background:** The CON process, employed in most states in some form, is a cost-containment regulatory method that began in the early 1970s. The CON process prohibits capital expenditures by hospitals and other health care facilities unless a governmental agency finds a need for the new health care services to be offered. State law also requires that certain health care facilities obtain CON approval prior to closure.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Garrett, Howard, and Montgomery counties; Department of Health and Mental Hygiene; Department of Legislative Services

**Fiscal Note History:** First Reader - March 24, 2010  
mam/mwc Revised - Senate Third Reader - April 7, 2010

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