

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 891

(Senator Middleton, *et al.*)

Finance

Health and Government Operations

**Maryland Health Care Commission - Authority of Acute Care Hospitals to
Provide Cardiac Surgery Services - Voluntary Relinquishment - Regulations**

This bill requires regulations adopted by the Maryland Health Care Commission (MHCC) to require, as a condition of the issuance of a certificate of conformance or a certificate of ongoing performance, that an acute general hospital agree to voluntarily relinquish its authority to provide *cardiac surgery services* if the hospital fails to meet the applicable standards established by MHCC. This voluntary relinquishment requirement is already in place for hospitals with respect to emergency or elective percutaneous coronary intervention (PCI) services.

The bill takes effect June 1, 2014.

Fiscal Summary

State Effect: Modification of regulations, as required under the bill, can be handled within existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapter 418 of 2012, among other things, requires an acute general hospital that provides cardiac surgery or PCI services – whether under a certificate of need (CON), a certificate of conformance, or an exception to certificate of conformance

requirements – to obtain and maintain a certificate of ongoing performance to continue to provide cardiac surgery services or emergency or elective PCI services.

The regulations established by MHCC must require, as a condition of the issuance of a certificate of conformance or a certificate of ongoing performance to an acute general hospital without on-site cardiac surgery services, that the acute general hospital agree to voluntarily relinquish its authority to provide emergency PCI services or elective PCI services if the hospital fails to meet the applicable standards established by MHCC.

Background: In October 2013, MHCC provided a draft of proposed regulations regarding specialized cardiovascular services for public comment. The draft regulations required acute general hospitals to agree to the voluntary relinquishment of a cardiac surgery services CON. Both the Senate Finance and House Health and Government Operations committees sent correspondence to MHCC questioning the authority of the commission to require voluntary relinquishment of the authority to provide cardiac surgery services as Chapter 418 only authorized MHCC to require voluntary relinquishment of the authority to provide emergency or elective PCI services. The committees noted that “there should be specific legislative statutory authorization in order for the commission to have the authority to revoke or require voluntary relinquishment of a CON for cardiac surgery services.”

According to MHCC, the two most recently awarded CONs for cardiac surgery services have included voluntary relinquishment provisions as a condition of issuance.

Additional Information

Prior Introductions: *As introduced*, SB 750/HB 1141 of 2012 contained the same provision proposed in the bill. The provision was removed by amendment.

Cross File: None.

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

Fiscal Note History: First Reader - March 11, 2014
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