

# SENATE BILL 379

J3, K3

7lr1961  
CF HB 932

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By: **Senators Feldman and Hershey**

Introduced and read first time: January 26, 2017

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 3, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Hospitals – Changes in Status – Hospital Employee Retraining and ~~Economic~~**  
3 **~~Impact Statements~~ Placement**

4 FOR the purpose of requiring a hospital that ~~voluntarily converts to a freestanding medical~~  
5 ~~facility or is acquired by another hospital or health system~~ downsizes to pay a fee  
6 directly to the Department of Labor, Licensing, and Regulation if workers are  
7 displaced; prohibiting the fee from exceeding a certain percent of total revenue  
8 approved by the Health Services Cost Review Commission for a certain fiscal year;  
9 limiting the number of times the fee may be assessed; prohibiting a certain fee paid  
10 by a hospital that voluntarily closes, merges, or is delicensed from exceeding a  
11 certain percent of total revenue approved by the Health Services Cost Review  
12 Commission, rather than the gross operating revenue, for a certain fiscal year;  
13 requiring the Health Services Cost Review Commission to prorate the total amount  
14 of certain fees in a certain manner to derive a certain fee; prohibiting the Health  
15 Services Cost Review Commission from including certain employees if the Health  
16 Services Cost Review Commission uses the number of employees of a hospital who  
17 are affected by the closure, merger, downsizing, or delicensing of the hospital in  
18 calculating a certain fee; requiring a hospital to file with the Maryland Health Care  
19 Commission and provide to certain members of the General Assembly a certain  
20 economic impact statement within a certain time period; altering the purpose of a  
21 certain program the Department is required to establish ~~to include the retraining~~  
22 ~~and placement of hospital employees who are unemployed or may become~~  
23 ~~unemployed as a result of the conversion of a hospital to a freestanding medical~~  
24 ~~facility or the acquisition of one hospital by another hospital or health system;~~  
25 ~~altering the purposes for which the Hospital Employees Retraining Fund is to be~~

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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.



~~used; requiring the Department to make a certain determination before using a certain program; defining a certain term; making a conforming change; making stylistic changes; and generally relating to hospital employee retraining and economic impact statements placement~~ related to changes in hospital status.

BY repealing and reenacting, with amendments,  
 Article – Health – General  
 Section 19–326.1  
 Annotated Code of Maryland  
 (2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Labor and Employment  
 Section 11–201  
 Annotated Code of Maryland  
 (2016 Replacement Volume)

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

**Article – Health – General**

19–326.1.

**(A) IN THIS SECTION, “DOWNSIZE” MEANS TO REDUCE THE NUMBER OF EMPLOYEES OF A HOSPITAL BY AT LEAST 10 FULL-TIME EQUIVALENT EMPLOYEES IN ANY CONSECUTIVE 3-MONTH PERIOD.**

~~(A) (B)~~ **(1)** If a hospital voluntarily closes, merges, ~~CONVERTS TO A FREESTANDING MEDICAL FACILITY UNDER § 19–120 OF THIS TITLE, IS ACQUIRED BY ANOTHER HOSPITAL OR HEALTH SYSTEM,~~ **DOWNSIZES,** or is delicensed under § 19–325 of this subtitle and workers are displaced[:

(1) Each], **EACH** hospital shall pay a fee directly to the Department of Labor, Licensing, and Regulation.

**(2) The SUBJECT TO PARAGRAPHS (3) AND (4) OF THIS SUBSECTION, THE fee [shall] REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION:**

**(I) MAY** not exceed 0.01 percent of the [gross operating] **TOTAL** revenue **APPROVED BY THE HEALTH SERVICES COST REVIEW COMMISSION** for the fiscal year immediately preceding the closure, **MERGER, ~~CONVERSION, ACQUISITION,~~ DOWNSIZING,** or delicensing of the hospital[.]; **AND**

**(II) [A fee shall only] MAY** be assessed **ONLY** once for each voluntary closure, merger, ~~CONVERSION, ACQUISITION,~~ **DOWNSIZING,** or delicensure.

(3) THE HEALTH SERVICES COST REVIEW COMMISSION SHALL PRORATE THE TOTAL AMOUNT OF FEES AMONG ALL HOSPITALS BASED ON THE RATIO OF THE ACTUAL GROSS PATIENT REVENUES OF AN INDIVIDUAL HOSPITAL TO THE TOTAL GROSS PATIENT REVENUES OF ALL HOSPITALS TO DERIVE THE INDIVIDUAL FEE FOR EACH HOSPITAL.

(4) IF THE HEALTH SERVICES COST REVIEW COMMISSION USES THE NUMBER OF EMPLOYEES AFFECTED BY THE CLOSURE, MERGER, DOWNSIZING, OR DELICENSING OF A HOSPITAL IN CALCULATING THE FEE, THE HEALTH SERVICES COST REVIEW COMMISSION MAY NOT INCLUDE AN EMPLOYEE WHO IS OFFERED A COMPARABLE OR BETTER POSITION BY THE HOSPITAL AT AN AFFILIATED HOSPITAL LOCATED WITHIN A 30-MILE RADIUS OF THE EMPLOYEE'S PLACE OF RESIDENCE.

[(2)] ~~(3)~~ (5) The Secretary of Labor, Licensing, and Regulation shall pay the fees received under this [section] SUBSECTION into the Hospital Employees Training Fund established under § 11-201 of the Labor and Employment Article.

~~(B) WITHIN 90 DAYS AFTER THE BOARD OF DIRECTORS OF A HOSPITAL VOTES TO APPROVE THE CLOSURE, MERGER, CONVERSION, ACQUISITION, OR DELICENSURE OF THE HOSPITAL, THE HOSPITAL SHALL FILE WITH THE MARYLAND HEALTH CARE COMMISSION, AND PROVIDE TO THE MEMBERS OF THE GENERAL ASSEMBLY REPRESENTING THE LEGISLATIVE DISTRICT IN WHICH THE HOSPITAL IS LOCATED, AN ECONOMIC IMPACT STATEMENT DETAILING ALL INFORMATION RELATED TO THE POTENTIAL ECONOMIC IMPACT OF THE DISLOCATION OF THE HOSPITAL'S EMPLOYEES, INCLUDING:~~

~~(1) THE NUMBER OF POTENTIAL LAYOFFS; AND~~

~~(2) THE CATEGORIES OF EMPLOYMENT AFFECTED BY THE POTENTIAL LAYOFFS.~~

Article – Labor and Employment

11-201.

(A) IN THIS SECTION, “DOWNSIZE” MEANS TO REDUCE THE NUMBER OF EMPLOYEES OF A HOSPITAL BY AT LEAST 10 FULL-TIME EQUIVALENT EMPLOYEES IN ANY CONSECUTIVE 3-MONTH PERIOD.

~~(a)~~ (B) The Department shall establish a program for the retraining and placement of hospital employees who are NONEXECUTIVE EMPLOYEES, WHO ARE NOT LICENSED PHYSICIANS OR PHYSICIAN ASSISTANTS, AND WHO ARE unemployed or who may become unemployed as a result of the closing, delicensing, downsizing, ~~or possible~~

1 ~~downsizing of a hospital, THE MERGER OF HOSPITALS, THE CONVERSION OF A~~  
 2 ~~HOSPITAL TO A FREESTANDING MEDICAL FACILITY UNDER § 19-120 OF THE~~  
 3 ~~HEALTH GENERAL ARTICLE, OR THE ACQUISITION OF ONE HOSPITAL BY ANOTHER~~  
 4 ~~HOSPITAL OR HEALTH SYSTEM [for the merging of hospitals under § 19-325 of the Health~~  
 5 ~~– General Article].~~

6 (C) BEFORE THE DEPARTMENT USES THE PROGRAM ESTABLISHED UNDER  
 7 SUBSECTION (B) OF THIS SECTION, THE DEPARTMENT SHALL DETERMINE WHETHER  
 8 THERE ARE OTHER PROGRAMS IN THE DEPARTMENT THAT MAY BE USED TO  
 9 PROVIDE TRAINING AND PLACEMENT FOR THE HOSPITAL EMPLOYEES WHO WOULD  
 10 BE ELIGIBLE FOR TRAINING AND PLACEMENT UNDER THE PROGRAM ESTABLISHED  
 11 UNDER SUBSECTION (B) OF THIS SECTION.

12 ~~(b)~~ (D) The Secretary and the Secretary of Health and Mental Hygiene shall  
 13 adopt regulations to implement this section.

14 ~~(e)~~ (E) (1) There is a Hospital Employees Retraining Fund.

15 (2) The Fund shall be used:

16 [(1)] (I) ~~[for the purposes described in this section] TO PROVIDE~~  
 17 ~~EMPLOYMENT TRANSITION SERVICES, INCLUDING:~~

18 ~~1. THE DEVELOPMENT OF READJUSTMENT PLANS;~~

19 ~~2. THE ASSESSMENT OF SKILLS AND APTITUDES;~~

20 ~~3. PRELAYOFF ASSISTANCE; AND~~

21 ~~4. TRAINING PROGRAMS PROVIDED IN COOPERATION~~  
 22 ~~WITH EMPLOYERS AND LABOR ORGANIZATIONS;~~

23 ~~(H)~~ (H) ~~TO PROVIDE SUPPORT SERVICES, INCLUDING:~~

24 ~~1. FAMILY CARE ASSISTANCE;~~

25 ~~2. CHILD CARE ASSISTANCE;~~

26 ~~3. COMMUTING ASSISTANCE;~~

27 ~~4. EMERGENCY HOUSING AND RENTAL ASSISTANCE;~~

28 ~~5. COUNSELING ASSISTANCE;~~

29 ~~6. EMERGENCY HEALTH ASSISTANCE;~~

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~~7. EMERGENCY FINANCIAL ASSISTANCE; AND~~

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~~8. ANY OTHER APPROPRIATE SUPPORT SERVICES THAT~~

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~~ENABLE AN INDIVIDUAL TO PARTICIPATE IN AN EMPLOYMENT TRAINING PROGRAM~~

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~~WITH THE GOAL OF REEMPLOYMENT;~~ and

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[(2)] ~~(H)~~ (II) to pay any and all expenses of the Department in

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administering this section.

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~~(d)~~ (F) Any unexpended funds remaining in the Hospital Employees

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Retraining Fund at the end of the fiscal year may not revert to the General Fund of the

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State.

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SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

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October 1, 2017.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.