

# SENATE BILL 1075

P3, C3

EMERGENCY BILL

7lr3525  
CF HB 1553

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By: **Senator Middleton**

Introduced and read first time: February 15, 2017

Assigned to: Rules

Re-referred to: Finance, February 22, 2017

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 17, 2017

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

1 AN ACT concerning

### 2 **Nonprofit Health Entity – Acquisition – Waiver of Waiting Period**

3 FOR the purpose of authorizing a certain regulating entity, under certain circumstances,  
4 to waive a certain waiting period between the date a determination is made on a  
5 certain acquisition of a nonprofit health entity and the date the determination takes  
6 effect; making conforming changes; making this Act an emergency measure; and  
7 generally relating to acquisitions of nonprofit health entities.

8 BY repealing and reenacting, with amendments,  
9 Article – State Government  
10 Section 6.5–203  
11 Annotated Code of Maryland  
12 (2014 Replacement Volume and 2016 Supplement)

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

### 15 **Article – State Government**

16 6.5–203.

17 (a) (1) As soon as practicable, but no later than 90 days after receiving a  
18 complete application, including all necessary expert reports, the appropriate regulating  
19 entity shall hold a public hearing.

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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.



1           (2) If the nonprofit health entity is a hospital, the regulating entity shall  
2 hold the public hearing in the jurisdiction in which the hospital is located.

3           (b) A public hearing under this section shall be a quasi-legislative hearing and  
4 not a contested case hearing.

5           (c) Any person may file written comments and exhibits or make a statement at  
6 the public hearing.

7           (d) The regulating entity may:

8                 (1) subpoena information and witnesses;

9                 (2) require sworn statements;

10                (3) take depositions; and

11                (4) use related discovery procedures.

12           (e) (1) The regulating entity may contract with experts as reasonably  
13 necessary to:

14                         (i) determine whether to approve an acquisition generally;

15                         (ii) perform an independent valuation of the public or charitable  
16 assets of the transferor;

17                         (iii) evaluate the impact of the acquisition on the affected community;

18                         (iv) determine whether there has been due diligence by the  
19 transferor; and

20                         (v) determine the existence of any conflicts of interest.

21           (2) The selection of an expert by a regulating entity under paragraph (1) of  
22 this subsection shall be subject to the State procurement laws.

23           (3) If a regulating entity contracts for expert assistance under paragraph  
24 (1) of this subsection, the transferee shall pay the reasonable cost of the expert assistance,  
25 as determined by the regulating entity.

26           (f) Within 60 days after the record, including the public hearing process, has been  
27 closed, the appropriate regulating entity shall:

28                 (1) approve the acquisition, with or without modifications; or

1 (2) disapprove the acquisition.

2 (g) (1) Subject to paragraph (2) of this subsection, at its discretion, the  
3 regulating entity may extend for good cause for a 60-day period the time for making a  
4 determination under subsection (f) of this section.

5 (2) The regulating entity is limited to a maximum of two 60-day extensions  
6 for making a determination on the same application.

7 (h) (1) [A] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
8 **SUBSECTION, A** determination made by the appropriate regulating entity under  
9 subsection (f) of this section may not take effect until **THE EARLIER OF:**

10 (I) 90 calendar days after the date the determination is made; or

11 (II) **THE DATE** when ratified or rejected by the General Assembly[,  
12 whichever is earlier].

13 (2) **THE APPROPRIATE REGULATING ENTITY MAY WAIVE THE**  
14 **WAITING PERIOD UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION IF THE**  
15 **APPROPRIATE REGULATING ENTITY DETERMINES THAT WAIVING THE WAITING**  
16 **PERIOD IS IN THE BEST INTEREST OF THE PUBLIC.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
18 measure, is necessary for the immediate preservation of the public health or safety, has  
19 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
20 each of the two Houses of the General Assembly, and shall take effect from the date it is  
21 enacted.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.