

# SENATE BILL 649

J3

EMERGENCY BILL

9lr0948

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By: **Senator Klausmeier**

Introduced and read first time: February 4, 2019

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Care Facilities – Change in Bed Capacity – Certificate of Need**  
3 **Exemption**

4 FOR the purpose of exempting an increase or decrease in bed capacity from the certificate  
5 of need requirement if the increase or decrease will occur in an certain intermediate  
6 care facility, a certain general hospice program, or a certain hospital with acute  
7 psychiatric beds under certain circumstances and certain written notice is filed with  
8 the Maryland Health Care Commission at least a certain number of days before  
9 increasing or decreasing bed capacity; making a technical change; making this Act  
10 an emergency measure; and generally relating to certificates of need for a change in  
11 bed capacity.

12 BY repealing and reenacting, with amendments,  
13 Article – Health – General  
14 Section 19–120(h)  
15 Annotated Code of Maryland  
16 (2015 Replacement Volume and 2018 Supplement)

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

19 **Article – Health – General**

20 19–120.

21 (h) (1) A certificate of need is required before the bed capacity of a health care  
22 facility is changed.

23 (2) This subsection does not apply to any increase or decrease in bed  
24 capacity if:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) For a health care facility that is not a hospital, during a 2-year  
 2 period the increase or decrease would not exceed the lesser of 10 percent of the total bed  
 3 capacity or 10 beds;

4 (ii) 1. The increase or decrease would change the bed capacity  
 5 for an existing medical service; and

6 2. A. The change would not increase total bed capacity;

7 B. The change is maintained for at least a 1-year period; and

8 C. At least 45 days prior to the change, the hospital provides  
 9 written notice to the Commission describing the change and providing an updated  
 10 inventory of the hospital's licensed bed complement;

11 (iii) 1. At least 45 days before increasing or decreasing bed  
 12 capacity, written notice of intent to change bed capacity is filed with the Commission;

13 2. The Commission in its sole discretion finds that the  
 14 proposed change:

15 A. Is pursuant to the consolidation or merger of two or more  
 16 health care facilities, or conversion of a health care facility or part of a facility to a  
 17 nonhealth-related use;

18 B. Is not inconsistent with the State health plan or the  
 19 institution-specific plan developed by the Commission;

20 C. Will result in the delivery of more efficient and effective  
 21 health care services; and

22 D. Is in the public interest; and

23 3. Within 45 days of receiving notice, the Commission  
 24 notifies the health care facility of its finding; [or]

25 (iv) The increase or decrease in bed capacity is the result of the  
 26 annual licensed bed recalculation provided under § [19-307] **19-307.2** of this title; **OR**

27 **(v) 1. THE INCREASE OR DECREASE IN BED CAPACITY WILL**  
 28 **OCCUR IN:**

29 **A. AN INTERMEDIATE CARE FACILITY THAT OFFERS**  
 30 **RESIDENTIAL OR INTENSIVE SUBSTANCE-RELATED DISORDER TREATMENT**  
 31 **SERVICES AND HAS A CURRENT LICENSE ISSUED BY THE SECRETARY;**

1                   **B. AN EXISTING GENERAL HOSPICE PROGRAM THAT HAS**  
2 **A CURRENT LICENSE ISSUED BY THE SECRETARY; OR**

3                   **C. A HOSPITAL WITH ACUTE PSYCHIATRIC BEDS THAT**  
4 **HAS A CURRENT LICENSE ISSUED BY THE SECRETARY, IF THE CHANGE IN BED**  
5 **CAPACITY RESULTS IN AN INCREASE OR DECREASE IN BED CAPACITY ONLY FOR**  
6 **ACUTE PSYCHIATRIC CARE; AND**

7                   **2. AT LEAST 45 DAYS BEFORE INCREASING OR**  
8 **DECREASING BED CAPACITY, WRITTEN NOTICE OF THE INTENT TO CHANGE BED**  
9 **CAPACITY IS FILED WITH THE COMMISSION.**

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