

# HOUSE BILL 702

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CF SB 509

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By: **Delegate Kerr**

Introduced and read first time: February 6, 2023

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Care Facilities – Nursing Homes – Acquisitions and Licensure**

3 FOR the purpose of requiring the Maryland Health Care Commission to provide certain  
4 information regarding the acquisition of a nursing home to the Office of Health Care  
5 Quality; requiring the Secretary of Health to consider the information before taking  
6 certain action regarding licensure to operate a nursing home; and generally relating  
7 to nursing homes.

8 BY repealing and reenacting, with amendments,

9 Article – Health – General

10 Section 19–115 and 19–1401.2

11 Annotated Code of Maryland

12 (2019 Replacement Volume and 2022 Supplement)

13 BY repealing and reenacting, without amendments,

14 Article – Health – General

15 Section 19–120(k)(6)(ii) and 19–1401.1

16 Annotated Code of Maryland

17 (2019 Replacement Volume and 2022 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Health – General**

21 19–115.

22 (a) In addition to the duties set forth elsewhere in this subtitle, in this Part II of  
23 this subtitle, the Commission shall:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) Act as the State agency to represent the State under Title VI of the  
2 federal Public Health Service Act; [and]

3 (2) Periodically participate in or perform analyses and studies that relate  
4 to:

5 (i) Adequacy of services and financial resources to meet the needs of  
6 the population;

7 (ii) Distribution of health care resources;

8 (iii) Allocation of health care resources;

9 (iv) Costs of health care in relationship to available financial  
10 resources; or

11 (v) Any other appropriate matter; AND

12 **(3) WHEN EVALUATING A NOTICE OF ACQUISITION OR TRANSFER OF**  
13 **INTEREST OF A NURSING HOME IN ACCORDANCE WITH § 19-120(K)(6)(II) OF THIS**  
14 **TITLE, PROVIDE THE COMMISSION'S WRITTEN FINDINGS AND RECOMMENDATIONS**  
15 **TO THE OFFICE OF HEALTH CARE QUALITY, INCLUDING:**

16 **(I) QUALITY RATINGS OF FACILITIES CURRENTLY OR**  
17 **PREVIOUSLY OWNED, WITHIN OR OUTSIDE THE STATE, BY THE PURCHASER OF THE**  
18 **HEALTH CARE FACILITY, BASED ON THE MOST RECENT FIVE-STAR QUALITY**  
19 **RATING SYSTEM ESTABLISHED BY THE CENTERS FOR MEDICARE AND MEDICAID**  
20 **SERVICES;**

21 **(II) THE TAX IDENTIFICATION NUMBER OF EACH PURCHASER;**  
22 **AND**

23 **(III) THE PERSONAL CENTERS FOR MEDICARE AND MEDICAID**  
24 **SERVICES CERTIFICATION NUMBER OF EACH PURCHASER.**

25 **(B) THE FINDINGS AND RECOMMENDATIONS REQUIRED TO BE PROVIDED**  
26 **TO THE OFFICE OF HEALTH CARE QUALITY UNDER SUBSECTION (A)(3) OF THIS**  
27 **SECTION SHALL INCLUDE A SUMMARY OF THE FINDINGS AND THE BASIS FOR THE**  
28 **RECOMMENDATIONS.**

29 **[(b)] (C)** In addition to the duties set forth elsewhere in this Part II of this  
30 subtitle, the Governor shall direct, as necessary, a State officer or agency to cooperate in  
31 carrying out the functions of the Commission.

1            **[(c)] (D)**        This State recognizes the federal act and any amendment to the federal  
2 act that does not require State legislation to be effective. However, if the federal act is  
3 repealed or expires, this Part II of this subtitle remains in effect.

4 19–120.

5            (k)    (6)    This subsection does not apply to:

6                            (ii)    Acquisition of a health care facility if, at least 30 days before  
7 making the contractual arrangement to acquire the facility, written notice of the intent to  
8 make the arrangement is filed with the Commission and the Commission does not find,  
9 within 30 days after the Commission receives notice, that the health services or bed  
10 capacity of the facility will be changed, provided that, for a merger with or acquisition of an  
11 existing general hospice, the purchaser of the general hospice may only acquire the  
12 authority to provide home–based hospice services in jurisdictions in which the seller of the  
13 general hospice is licensed to provide home–based hospice services;

14 19–1401.1.

15            (a)    (1)    In addition to the requirements for licensure of a related institution as  
16 provided in this title, an applicant for licensure of a nursing home shall include in the  
17 application the identity of:

18                            (i)    Any person with an ownership interest in the nursing home; and

19                            (ii)    Any management company, landlord, or other business entity  
20 that will operate or contract with the applicant to manage the nursing home.

21            (2)    (i)    The person acquiring a nursing home shall provide the  
22 Department with written notice of the acquisition or change in operator at the same time  
23 as the notice required under § 19–120(k)(6)(ii) of this title is filed with the Maryland Health  
24 Care Commission.

25                            (ii)    For other changes to the information required under paragraph  
26 (1) of this subsection, the nursing home shall notify the Department within 30 days after  
27 the effective date of the change.

28            (b)    An applicant for licensure shall submit to the Secretary or the Secretary’s  
29 designee evidence:

30                            (1)    That affirmatively demonstrates the ability of the applicant to comply  
31 with minimum standards of:

32                            (i)    Medical care;

33                            (ii)    Nursing care;

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- 1 (iii) Financial condition; and
- 2 (iv) Other applicable State or federal laws and regulations; and
- 3 (2) Regarding the regulatory compliance history and financial condition of  
4 any health care facility owned or operated by the applicant in other jurisdictions.
- 5 19–1401.2.

6 (A) On review of the information required under § 19–1401.1 of this subtitle and  
7 any other information that is relevant to the ability of the applicant to operate a nursing  
8 home, the Secretary may:

- 9 (1) Approve an application for a license;
- 10 (2) Deny an application for a license;
- 11 (3) Approve an application for a license subject to conditions; or
- 12 (4) Revoke a license.

13 (B) **BEFORE TAKING ACTION ON A LICENSE UNDER SUBSECTION (A) OF THIS**  
14 **SECTION, THE SECRETARY SHALL CONSIDER ANY FINDINGS AND**  
15 **RECOMMENDATIONS OF THE MARYLAND HEALTH CARE COMMISSION PROVIDED TO**  
16 **THE OFFICE OF HEALTH CARE QUALITY UNDER § 19–115 OF THIS TITLE.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2023.