

# HOUSE BILL 810

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By: **Delegates Ghrist, Grammer, and Schmidt**

Introduced and read first time: February 8, 2023

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Hospice Care Programs – Certificate of Need – Repeal**

3 FOR the purpose of repealing the requirement that a hospice care program obtain a  
4 certificate of need to build or expand a facility; and generally relating to certificates  
5 of need and hospice care programs.

6 BY repealing and reenacting, with amendments,  
7 Article – Health – General  
8 Section 19–114, 19–120, and 19–906  
9 Annotated Code of Maryland  
10 (2019 Replacement Volume and 2022 Supplement)

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

13 **Article – Health – General**

14 19–114.

15 (a) In this Part II of this subtitle the following words have the meanings  
16 indicated.

17 (b) “Ambulatory surgical facility” means any center, service, office, facility, or  
18 office of one or more health care practitioners or a group practice that:

19 (1) Has three or more operating rooms;

20 (2) Operates primarily for the purpose of providing surgical services to  
21 patients who do not require overnight hospitalization; and

22 (3) Seeks reimbursement from payors as an ambulatory surgical facility.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) “Certificate of need” means a certification of public need issued by the  
2 Commission under this Part II of this subtitle for a health care project.

3 (d) (1) “Health care facility” means:

4 (i) A hospital, as defined in § 19–301 of this title;

5 (ii) A limited service hospital, as defined in § 19–301 of this title;

6 (iii) A related institution, as defined in § 19–301 of this title;

7 (iv) An ambulatory surgical facility;

8 (v) An inpatient facility that is organized primarily to help in the  
9 rehabilitation of disabled individuals, through an integrated program of medical and  
10 other services provided under competent professional supervision;

11 (vi) A home health agency, as defined in § 19–401 of this title;

12 [(vii) A hospice, as defined in § 19–901 of this title;

13 (viii)] **(VII)** A freestanding medical facility, as defined in § 19–3A–01  
14 of this title; and

15 [(ix)] **(VIII)** Any other health institution, service, or program for  
16 which this Part II of this subtitle requires a certificate of need.

17 (2) “Health care facility” does not include:

18 (i) A hospital or related institution that is operated, or is listed and  
19 certified, by the First Church of Christ Scientist, Boston, Massachusetts;

20 (ii) For the purpose of providing an exception to the requirement  
21 for a certificate of need under § 19–120 of this subtitle, a facility to provide comprehensive  
22 care constructed by a provider of continuing care, as defined in § 10–401 of the Human  
23 Services Article, if:

24 1. Except as provided under § 19–123 of this subtitle, the  
25 facility is for the exclusive use of the provider’s subscribers who have executed continuing  
26 care agreements, including continuing care at home agreements, and paid entrance fees  
27 that are at least equal to the lowest entrance fee charged for an independent living unit,  
28 an assisted living unit, or a continuing care at home agreement before entering the  
29 continuing care community, regardless of the level of care needed by the subscribers at  
30 the time of admission;



1 (e) "Health care practitioner" means any individual who is licensed, certified, or  
2 otherwise authorized under the Health Occupations Article to provide health care  
3 services.

4 (f) "Health service area" means an area of this State that the Governor  
5 designates as appropriate for planning and developing of health services.

6 (g) "Local health planning agency" means the health department of a  
7 jurisdiction or a body designated by the local health department to perform health  
8 planning functions.

9 (h) "State health plan" means the State health plan for facilities and services.

10 19–120.

11 (a) (1) In this section the following words have the meanings indicated.

12 (2) "Consolidation" and "merger" include increases and decreases in bed  
13 capacity or services among the components of an organization that:

14 (i) Operates more than one health care facility; or

15 (ii) Operates one or more health care facilities and holds an  
16 outstanding certificate of need to construct a health care facility.

17 (3) (i) "Health care service" means any clinically related patient  
18 service.

19 (ii) "Health care service" includes a medical service.

20 (4) "Hospital capital threshold" means the lesser of:

21 (i) 25% of the hospital's gross regulated charges for the  
22 immediately preceding year; or

23 (ii) \$50,000,000.

24 (5) "Limited service hospital" means a health care facility that:

25 (i) Is licensed as a hospital on or after January 1, 1999;

26 (ii) Changes the type or scope of health care services offered by  
27 eliminating the facility's capability to admit or retain patients for overnight  
28 hospitalization;

29 (iii) Retains an emergency or urgent care center; and

1 (iv) Complies with the regulations adopted by the Secretary under §  
2 19-307.1 of this title.

3 (6) "Medical service" means:

4 (i) Any of the following categories of health care services:

5 1. Medicine, surgery, gynecology, addictions;

6 2. Obstetrics;

7 3. Pediatrics;

8 4. Psychiatry;

9 5. Rehabilitation;

10 6. Chronic care;

11 7. Comprehensive care;

12 8. Extended care;

13 9. Intermediate care; or

14 10. Residential treatment; or

15 (ii) Any subcategory of the rehabilitation, psychiatry,  
16 comprehensive care, or intermediate care categories of health care services for which need  
17 is projected in the State health plan.

18 (b) The Commission may set an application fee for a certificate of need for  
19 health care facilities not assessed a user fee under this subtitle.

20 (c) The Commission shall adopt rules and regulations for applying for and  
21 issuing certificates of need.

22 (d) The Commission may adopt, after October 1, 1983, new thresholds or  
23 methods for determining the circumstances or minimum cost requirements under which a  
24 certificate of need application must be filed.

25 (e) (1) A person shall have a certificate of need issued by the Commission  
26 before the person develops, operates, or participates in any of the health care projects for  
27 which a certificate of need is required under this section.

28 (2) A certificate of need issued before January 13, 1987, may not be  
29 rendered wholly or partially invalid solely because certain conditions have been imposed,

1 if an appeal concerning the certificate of need, challenging the power of the Commission  
2 to impose certain conditions on a certificate of need, has not been noted by an aggrieved  
3 party before January 13, 1987.

4 (f) Except as provided in subsection (g)(2)(iii) of this section, a certificate of need  
5 is required before a new health care facility is built, developed, or established.

6 (g) (1) A certificate of need is required before an existing or previously  
7 approved, but unbuilt, health care facility is moved to another site.

8 (2) This subsection does not apply if:

9 (i) The Commission adopts limits for relocations and the proposed  
10 relocation does not exceed those limits;

11 (ii) The relocation is the result of a partial or complete replacement  
12 of an existing hospital or related institution, as defined in § 19–301 of this title, and the  
13 relocation is to another part of the site or immediately adjacent to the site of the existing  
14 hospital or related institution;

15 (iii) Subject to the provisions of subsections (i) and (j) of this section,  
16 the relocation is of an existing health care facility owned or controlled by a merged asset  
17 system and is to:

18 1. A site within the primary service area of the health care  
19 facility to be relocated if:

20 A. The proposed relocation is not across county boundaries;  
21 and

22 B. At least 45 days prior to the proposed relocation, notice is  
23 filed with the Commission;

24 2. A site outside the primary service area of the health care  
25 facility to be relocated but within the primary service area of the merged asset system if:

26 A. At least 45 days prior to the proposed relocation, notice is  
27 filed with the Commission; and

28 B. The Commission in its sole discretion, and in accordance  
29 with the criteria adopted by regulation, finds that the relocation is in the public interest,  
30 is not inconsistent with the State health plan, and will result in the more efficient and  
31 effective delivery of health care services; or

32 3. For a limited service hospital, a site within the  
33 immediate area as defined in regulation by the Commission; or

1 (iv) The relocation involves moving a portion of a complement of  
2 comprehensive care beds previously approved by the Commission after January 1, 1995,  
3 for use in a proposed new related institution, as defined in § 19–301 of this title, but  
4 unbuilt on October 1, 1998, if:

5 1. The comprehensive care beds that were originally  
6 approved by the Commission in a prior certificate of need review were approved for use in  
7 a proposed new related institution to be located in a municipal corporation within Carroll  
8 County in which a related institution is not located;

9 2. The comprehensive care beds being relocated will be used  
10 to establish an additional new related institution that is located in another municipal  
11 corporation within Carroll County in which a related institution is not located;

12 3. The comprehensive care beds not being relocated are  
13 intended to be used to establish a related institution on the original site; and

14 4. Both the previously approved comprehensive care beds  
15 for use on the original site and the relocated comprehensive care beds for use on the new  
16 site will be used as components of single buildings on each site that also offer independent  
17 or assisted living residential units.

18 (3) Notwithstanding any other provision of this subtitle, a certificate of  
19 need is not required for a relocation described under paragraph (2)(iv) of this subsection.

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

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

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

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

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

30 B. The change is maintained for at least a 1–year period;

31 and

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

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

3 2. The Commission in its sole discretion finds that the  
4 proposed change:

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

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

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

12 D. Is in the public interest; and

13 3. Within 45 days of receiving notice, the Commission  
14 notifies the health care facility of its finding;

15 (iv) The increase or decrease in bed capacity is the result of the  
16 annual licensed bed recalculation provided under § 19-307.2 of this title; or

17 (v) 1. The increase or decrease in bed capacity will occur in[

18 A. An] AN intermediate care facility that offers residential  
19 or intensive substance-related disorder treatment services and has a current license  
20 issued by the Secretary]; or

21 B. An existing general hospice program that has a current  
22 license issued by the Secretary]; and

23 2. At least 45 days before increasing or decreasing bed  
24 capacity, written notice of the intent to change bed capacity is filed with the Commission.

25 (i) (1) Except as provided in paragraph (2) of this subsection, for a hospital  
26 located in a county with three or more hospitals, a certificate of need is not required  
27 before the bed capacity is increased or decreased if the change:

28 (i) Occurs on or after July 1, 2000;

29 (ii) Is between hospitals in a merged asset system located within  
30 the same health service area;

31 (iii) Does not involve comprehensive or extended care beds; and



1 (iv) Does not occur earlier than 45 days after a notice of intent to  
2 reallocate bed capacity is filed with the Commission.

3 (2) A hospital may not create a new health care service through the  
4 relocation of beds from one county to another county pursuant to this subsection.

5 (j) (1) A certificate of need is required before the type or scope of any health  
6 care service is changed if the health care service:

7 (i) Is offered:

- 8 1. By a health care facility;
- 9 2. In space that is leased from a health care facility; or
- 10 3. In space that is on land leased from a health care facility;

11 or

12 (ii) Results in a change in operating room capacity in a hospital, a  
13 freestanding medical facility, or an ambulatory surgical facility.

14 (2) This subsection does not apply if:

15 (i) The Commission adopts limits for changes in health care  
16 services and the proposed change would not exceed those limits;

17 (ii) The proposed change and the annual operating revenue that  
18 would result from the addition is entirely associated with the use of medical equipment;

19 (iii) The proposed change would establish, increase, or decrease a  
20 health care service and the change would not result in the:

21 1. Establishment of a new medical service or elimination of  
22 an existing medical service;

23 2. Establishment of a cardiac surgery, organ transplant  
24 surgery, or burn or neonatal intensive health care service;

25 3. Except as provided in § 19–120.1 of this subtitle,  
26 establishment of percutaneous coronary intervention services;

27 4. Establishment of a home health program[, hospice  
28 program,] or freestanding ambulatory surgical center or facility; or

29 5. Expansion of a comprehensive care, extended care,  
30 intermediate care, residential treatment, psychiatry, or rehabilitation medical service,

1 except for an expansion related to an increase in total bed capacity in accordance with  
2 subsection (h)(2)(i) of this section; or

3 (iv) 1. At least 45 days before increasing or decreasing the  
4 volume of one or more health care services, written notice of intent to change the volume  
5 of health care services is filed with the Commission;

6 2. The Commission in its sole discretion finds that the  
7 proposed change:

8 A. Is pursuant to:

9 I. The consolidation or merger of two or more health care  
10 facilities;

11 II. The conversion of a health care facility or part of a  
12 facility to a nonhealth-related use;

13 III. The conversion of a hospital to a limited service hospital;  
14 or

15 IV. The conversion of a licensed general hospital to a  
16 freestanding medical facility in accordance with subsection [(o)(3)] **(N)(3)** of this section;

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

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

21 D. Is in the public interest; and

22 3. Within 45 days of receiving notice under item 1 of this  
23 item, the Commission notifies the health care facility of its finding.

24 (3) Notwithstanding the provisions of paragraph (2) of this subsection, a  
25 certificate of need is required:

26 (i) Before an additional home health agency, branch office, or home  
27 health care service is established by an existing health care agency or facility;

28 (ii) Before an existing home health agency or health care facility  
29 establishes a home health agency or home health care service at a location in the service  
30 area not included under a previous certificate of need or license;

31 (iii) Before a transfer of ownership of any branch office of a home  
32 health agency or home health care service of an existing health care facility that

1 separates the ownership of the branch office from the home health agency or home health  
2 care service of an existing health care facility which established the branch office; or

3 (iv) Before the expansion of a home health service or program by a  
4 health care facility that:

5 1. Established the home health service or program without  
6 a certificate of need between January 1, 1984 and July 1, 1984; and

7 2. During a 1-year period, the annual operating revenue of  
8 the home health service or program would be greater than \$333,000 after an annual  
9 adjustment for inflation, based on an appropriate index specified by the Commission.

10 (k) (1) A certificate of need is required before any of the following capital  
11 expenditures are made by or on behalf of a hospital:

12 (i) Any expenditure that, under generally accepted accounting  
13 principles, is not properly chargeable as an operating or maintenance expense, if:

14 1. The expenditure is made as part of an acquisition,  
15 improvement, or expansion, and, after adjustment for inflation as provided in the  
16 regulations of the Commission, the total expenditure, including the cost of each study,  
17 survey, design, plan, working drawing, specification, and other essential activity, is more  
18 than the hospital capital threshold;

19 2. The expenditure is made as part of a replacement of any  
20 plant and equipment of the hospital and is more than the hospital capital threshold after  
21 adjustment for inflation as provided in the regulations of the Commission;

22 3. The expenditure results in a substantial change in the  
23 bed capacity of the hospital; or

24 4. The expenditure results in the establishment of a new  
25 medical service in a hospital that would require a certificate of need under subsection (i)  
26 of this section; or

27 (ii) Any expenditure that is made to lease or, by comparable  
28 arrangement, obtain any plant or equipment for the hospital, if:

29 1. The expenditure is made as part of an acquisition,  
30 improvement, or expansion, and the total expenditure, including the cost of each study,  
31 survey, design, plan, working drawing, specification, and other essential activity, is more  
32 than the hospital capital threshold;

33 2. The expenditure is made as part of a replacement of any  
34 plant and equipment and is more than the hospital capital threshold after adjustment for  
35 inflation as provided in the regulations of the Commission;

1                               3.     The expenditure results in a substantial change in the  
2 bed capacity of the hospital; or

3                               4.     The expenditure results in the establishment of a new  
4 medical service in a hospital that would require a certificate of need under subsection (i)  
5 of this section.

6                               (2)    A certificate of need is required before any of the following capital  
7 expenditures are made by or on behalf of a health care facility other than a hospital:

8                               (i)     Any expenditure that, under generally accepted accounting  
9 principles, is not properly chargeable as an operating or maintenance expense, if:

10                              1.     The expenditure results in a substantial change in the  
11 bed capacity of the health care facility other than a hospital; or

12                              2.     The expenditure results in the establishment of a new  
13 medical service in a health care facility other than a hospital that would require a  
14 certificate of need under subsection (i) of this section; or

15                              (ii)    Any expenditure that is made to lease or, by comparable  
16 arrangement, obtain any plant or equipment for the health care facility other than a  
17 hospital, if:

18                              1.     The expenditure results in a substantial change in the  
19 bed capacity of the health care facility other than a hospital; or

20                              2.     The expenditure results in the establishment of a new  
21 medical service in a health care facility other than a hospital that would require a  
22 certificate of need under subsection (i) of this section.

23                              (3)    A certificate of need is required before any equipment or plant is  
24 donated to a health care facility, if a certificate of need would be required under  
25 paragraph (1) or (2) of this subsection for an expenditure by the health care facility to  
26 acquire the equipment or plant directly.

27                              (4)    A certificate of need is required before any equipment or plant is  
28 transferred to a health care facility at less than fair market value if a certificate of need  
29 would be required under paragraph (1) or (2) of this subsection for the transfer at fair  
30 market value.

31                              (5)    A certificate of need is required before a person acquires a health care  
32 facility if a certificate of need would be required under paragraph (1) or (2) of this  
33 subsection for the acquisition by or on behalf of the health care facility.

34                              (6)    This subsection does not apply to:

1 (i) Site acquisition;

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

10 (iii) Acquisition of business or office equipment that is not directly  
11 related to patient care;

12 (iv) Capital expenditures to the extent that they are directly related  
13 to the acquisition and installation of major medical equipment;

14 (v) A capital expenditure made as part of a consolidation or merger  
15 of two or more health care facilities, or conversion of a health care facility or part of a  
16 facility to a nonhealth-related use if:

17 1. At least 45 days before an expenditure is made, written  
18 notice of intent is filed with the Commission;

19 2. Within 45 days of receiving notice, the Commission in its  
20 sole discretion finds that the proposed consolidation, merger, or conversion:

21 A. Is not inconsistent with the State health plan or the  
22 institution-specific plan developed by the Commission as appropriate;

23 B. Will result in the delivery of more efficient and effective  
24 health care services; and

25 C. Is in the public interest; and

26 3. Within 45 days of receiving notice, the Commission  
27 notifies the health care facility of its finding;

28 (vi) A capital expenditure by a nursing home for equipment,  
29 construction, or renovation that:

30 1. Is not directly related to patient care; and

31 2. Is not directly related to any change in patient charges or  
32 other rates;

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1 (vii) A capital expenditure by a hospital, as defined in § 19–301 of  
2 this title, for equipment, construction, or renovation that:

- 3 1. Is not directly related to patient care; and
- 4 2. Does not increase patient charges or hospital rates;

5 (viii) A capital expenditure by a hospital, as defined in § 19–301 of  
6 this title, for a project in excess of the hospital capital threshold and is for construction or  
7 renovation that:

8 1. May be related to patient care;

9 2. Does not require, over the entire period or schedule of  
10 debt service associated with the project, a total cumulative increase in patient charges or  
11 hospital rates of more than \$1,500,000 for the capital costs associated with the project as  
12 determined by the Commission, after consultation with the Health Services Cost Review  
13 Commission;

14 3. At least 45 days before the proposed expenditure is made,  
15 the hospital notifies the Commission;

16 4. A. Within 45 days of receipt of the relevant financial  
17 information, the Commission makes the financial determination required under item 2 of  
18 this item; or

19 B. The Commission has not made the financial  
20 determination required under item 2 of this item within 60 days of the receipt of the  
21 relevant financial information; and

22 5. The relevant financial information to be submitted by the  
23 hospital is defined in regulations adopted by the Commission, after consultation with the  
24 Health Services Cost Review Commission;

25 (ix) A plant donated to a hospital, as defined in § 19–301 of this  
26 title, that does not require a cumulative increase in patient charges or hospital rates of  
27 more than \$1,500,000 for capital costs associated with the donated plant as determined  
28 by the Commission, after consultation with the Health Services Cost Review Commission,  
29 if:

30 1. At least 45 days before the proposed donation is made,  
31 the hospital notifies the Commission;

32 2. A. Within 45 days of receipt of the relevant financial  
33 information, the Commission makes the financial determination required under this item  
34 (ix) of this paragraph; or

1                   B. The Commission has not made the financial  
2 determination required under this item (ix) of this paragraph within 60 days of the  
3 receipt of the relevant financial information; and

4                   3. The relevant financial information to be submitted by the  
5 hospital is defined in regulations adopted by the Commission after consultation with the  
6 Health Services Cost Review Commission; or

7                   (x) A capital expenditure made as part of a conversion of a licensed  
8 general hospital to a freestanding medical facility in accordance with subsection [(o)(3)]  
9 **(N)(3)** of this section.

10                  (7) Paragraph (6)(vi), (vii), (viii), (ix), and (x) of this subsection may not be  
11 construed to permit a facility to offer a new health care service for which a certificate of  
12 need is otherwise required.

13                  (1) (1) A certificate of need is not required to close any health care facility or  
14 part of a health care facility if at least 90 days before the closing or if at least 45 days  
15 before the partial closing of the health care facility, including a State hospital, a person  
16 proposing to close all or part of the health care facility files notice of the proposed closing  
17 or partial closing with the Commission.

18                  (2) A hospital shall hold a public informational hearing in the county  
19 where the hospital is located if the hospital:

20                   (i) Files a notice of the proposed closing of the hospital with the  
21 Commission;

22                   (ii) Requests an exemption from the Commission under subsection  
23 [(o)(3)] **(N)(3)** of this section to convert to a freestanding medical facility; or

24                   (iii) Is located in a county with fewer than three hospitals and files  
25 a notice of the partial closing of the hospital with the Commission.

26                  (3) The Commission may require a health care facility other than a  
27 hospital described in paragraph (2) of this subsection that files notice of its proposed  
28 closing or partial closing to hold a public informational hearing in the county where the  
29 health care facility is located.

30                  (4) A public informational hearing required under paragraph (2) or (3) of  
31 this subsection shall be held by the health care facility, in consultation with the  
32 Commission, within 30 days after:

33                   (i) The health care facility files with the Commission a notice of its  
34 proposed closing or partial closing; or

1 (ii) The hospital files with the Commission a notice of intent to  
2 convert to a freestanding medical facility.

3 (5) (i) The Commission shall establish by regulation requirements for  
4 a public informational hearing required under paragraph (2) or (3) of this subsection.

5 (ii) For a hospital proposing to close, partially close, or convert to a  
6 freestanding medical facility, the regulations shall require the hospital to address:

7 1. The reasons for the closure, partial closure, or  
8 conversion;

9 2. The plan for transitioning acute care services previously  
10 provided by the hospital to residents of the hospital service area;

11 3. The plan for addressing the health care needs of the  
12 residents of the hospital service area;

13 4. The plan for retraining and placing displaced employees;

14 5. The plan for the hospital's physical plant and site; and

15 6. The proposed timeline for the closure, partial closure, or  
16 conversion to a freestanding medical facility.

17 (6) Within 10 working days after a public informational hearing held by a  
18 hospital under this subsection, the hospital shall provide a written summary of the  
19 hearing to:

20 (i) The Governor;

21 (ii) The Secretary;

22 (iii) The governing body of the county in which the hospital is  
23 located;

24 (iv) The local health department and the local board of health or  
25 similar body for the county in which the hospital is located;

26 (v) The Commission; and

27 (vi) Subject to § 2-1257 of the State Government Article, the Senate  
28 Finance Committee, the House Health and Government Operations Committee, and the  
29 members of the General Assembly who represent the district in which the hospital is  
30 located.



1 (m) (1) Notwithstanding any other provision of this section, the Commission  
2 shall consider the special needs and circumstances of a county where a medical service, as  
3 defined in this section, does not exist; and

4 (2) The Commission shall consider and may approve under this  
5 subsection a certificate of need application to establish, build, operate, or participate in a  
6 health care project to provide a new medical service in a county if the Commission, in its  
7 sole discretion, finds that:

8 (i) The proposed medical service does not exist in the county that  
9 the project would be located;

10 (ii) The proposed medical service is necessary to meet the health  
11 care needs of the residents of that county;

12 (iii) The proposed medical service would have a positive impact on  
13 the existing health care system;

14 (iv) The proposed medical service would result in the delivery of  
15 more efficient and effective health care services to the residents of that county; and

16 (v) The application meets any other standards or regulations  
17 established by the Commission to approve applications under this subsection.

18 (n) [The Commission may not issue a certificate of need or a determination with  
19 respect to an acquisition that authorizes a general hospice to provide home-based hospice  
20 services on a statewide basis.

21 (o)] (1) Except as provided in paragraphs (2) and (3) of this subsection, a  
22 person shall have a certificate of need issued by the Commission before a person  
23 establishes or operates a freestanding medical facility.

24 (2) A certificate of need is not required for the establishment or operation  
25 of a freestanding medical facility pilot project established under § 19-3A-07 of this title.

26 (3) (i) A certificate of need is not required to establish or operate a  
27 freestanding medical facility if:

28 1. The freestanding medical facility is established as the  
29 result of the conversion of a licensed general hospital;

30 2. Through the conversion, the licensed general hospital  
31 will eliminate the capability of the hospital to admit or retain patients for overnight  
32 hospitalization, except for observation stays;

1                   3.     Except as provided in subparagraph (ii) of this  
2 paragraph, the freestanding medical facility will remain on the site of, or on a site  
3 adjacent to, the licensed general hospital;

4                   4.     At least 60 days before the conversion, written notice of  
5 intent to convert the licensed general hospital to a freestanding medical facility is filed  
6 with the Commission;

7                   5.     The Commission in its sole discretion finds that the  
8 conversion:

9                   A.     Is consistent with the State health plan;

10                  B.     Will result in the delivery of more efficient and effective  
11 health care services;

12                  C.     Will maintain adequate and appropriate delivery of  
13 emergency care within the statewide emergency medical services system as determined  
14 by the State Emergency Medical Services Board; and

15                  D.     Is in the public interest; and

16                  6.     Within 60 days after receiving notice under item 4 of this  
17 subparagraph, the Commission notifies the licensed general hospital of the Commission's  
18 findings.

19                  (ii)    The Commission may approve a site for a freestanding medical  
20 facility that is not on the site of, or on a site adjacent to, the licensed general hospital if:

21                  1.     The licensed general hospital is:

22                  A.     The only hospital in the county; or

23                  B.     One of two hospitals in the county that are part of the  
24 same merged asset system, and are the only two hospitals in the county; and

25                  2.     The site is within a 5-mile radius and in the primary  
26 service area of the licensed general hospital.

27                  (iii)   Notwithstanding subparagraph (i) of this paragraph, a licensed  
28 general hospital located in Kent County may not convert to a freestanding medical facility  
29 in accordance with subparagraph (i) of this paragraph before July 1, 2020.

30 19-906.

31                  (a)    To qualify for a license, an applicant and the hospice care program and its  
32 medical director shall meet the requirements of this section.

1 (b) An applicant who is an individual, and any individual who is applying on  
2 behalf of a corporation, association, or government agency shall be:

3 (1) At least 18 years old; and

4 (2) Of reputable and responsible character.

5 (c) [(1) Except for a limited licensee, the applicant shall have a certificate of  
6 need, as required under Subtitle 1 of this title, for the hospice care program to be  
7 operated.

8 (2) The Secretary, in consultation with the Maryland Health Care  
9 Commission, shall specify those jurisdictions in which a general hospice is authorized to  
10 provide home-based hospice services.

11 (3) A general hospice may not be licensed to provide home-based hospice  
12 services in a jurisdiction unless the general hospice or an entity acquired by the general  
13 hospice provided home-based hospice services to a patient in the jurisdiction during the  
14 12-month period ending December 31, 2001.

15 (4) Notwithstanding paragraph (3) of this subsection:

16 (i) A general hospice may provide home-based hospice services to  
17 a specific patient outside of the jurisdictions in which the hospice is licensed if the  
18 Maryland Health Care Commission approves the service provision; and

19 (ii) A general hospice that is a hospital-based hospice or that had  
20 an affiliation agreement before April 5, 2003 with a health care facility or health care  
21 system may serve patients immediately upon discharge from the hospital, health care  
22 facility, or health care system, regardless of the jurisdiction in which the patient resides.

23 (5) Upon the notification by the Maryland Health Care Commission of the  
24 issuance of a certificate of need to a general hospice, the Secretary shall append to the  
25 general hospice license any additional jurisdictions in which the general hospice may  
26 provide home-based hospice services.

27 (6) The hospice care program to be operated and its medical director shall  
28 meet the requirements that the Secretary adopts under this subtitle.

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