

SENATE BILL 444

J3
HB 1515/25 – HGO

6lr1336
CF HB 498

By: **Senator Kramer**

Introduced and read first time: February 2, 2026

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Certificate of Need – Intermediate Health Care Facilities**

3 FOR the purpose of repealing the exemption from the certificate of need requirement for a
4 change in bed capacity for certain intermediate care facilities that offer substance
5 use disorder treatment services; altering the circumstances under which a certificate
6 of need is not required for a change in bed capacity at an intermediate health care
7 facility that offers medically managed substance use disorder treatment services;
8 exempting from the certificate of need requirement, under certain circumstances, the
9 establishment or operation of an intermediate health care facility that offers
10 medically managed residential substance use disorder treatment services; and
11 generally relating to certificates of need for intermediate health care facilities.

12 BY repealing and reenacting, with amendments,
13 Article – Health – General
14 Section 19–120(f) and (h)
15 Annotated Code of Maryland
16 (2023 Replacement Volume and 2025 Supplement)

17 BY adding to
18 Article – Health – General
19 Section 19–120(p)
20 Annotated Code of Maryland
21 (2023 Replacement Volume and 2025 Supplement)

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

24 **Article – Health – General**

25 19–120.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (f) Except as provided in [subsection] SUBSECTIONS (g)(2)(iii) AND (P) of this
2 section, a certificate of need is required before a new health care facility is built, developed,
3 or established.

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

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

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

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

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

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

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

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

20 2. The Commission in its sole discretion finds that the
21 proposed change:

22 A. Is pursuant to the consolidation or merger of two or more
23 health care facilities, [or] conversion of a health care facility or part of a facility to a
24 nonhealth-related use, **OR A CHANGE IN BED CAPACITY AT AN INTERMEDIATE CARE**
25 **FACILITY THAT OFFERS MEDICALLY MANAGED RESIDENTIAL SUBSTANCE USE**
26 **DISORDER TREATMENT SERVICES AND HAS A CURRENT LICENSE ISSUED BY THE**
27 **SECRETARY;**

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

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

32 D. Is in the public interest; and

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

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

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

6 A. An intermediate care facility that offers residential or
7 intensive substance–related disorder treatment services and has a current license issued
8 by the Secretary; or

9 B. An] AN existing general hospice program that has a
10 current license issued by the Secretary; and

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

13 **(P) A CERTIFICATE OF NEED IS NOT REQUIRED FOR THE ESTABLISHMENT**
14 **OR OPERATION OF AN INTERMEDIATE CARE FACILITY THAT OFFERS MEDICALLY**
15 **MANAGED RESIDENTIAL SUBSTANCE USE DISORDER TREATMENT SERVICES IF:**

16 **(1) WRITTEN NOTICE OF THE INTENT TO ESTABLISH OR OPERATE**
17 **THE INTERMEDIATE CARE FACILITY IS FILED WITH THE COMMISSION AT LEAST 45**
18 **DAYS BEFORE ESTABLISHMENT; AND**

19 **(2) THE COMMISSION IN ITS SOLE DISCRETION FINDS THAT THE**
20 **PROPOSED INTERMEDIATE CARE FACILITY:**

21 **(I) IS NOT INCONSISTENT WITH THE STATE HEALTH PLAN;**

22 **(II) WILL RESULT IN THE DELIVERY OF MORE EFFICIENT AND**
23 **EFFECTIVE HEALTH CARE SERVICES; AND**

24 **(III) IS IN THE PUBLIC INTEREST.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2026.