

# SENATE BILL 494

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By: **Senator Beidle**

Introduced and read first time: February 2, 2026

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Care Commission – Certificates of Need and Material Change**  
3 **Transactions**

4 FOR the purpose of repealing the exemption from the certificate of need requirement for  
5 certain mergers; requiring certain health care entities to provide certain notice of a  
6 material change transaction to the Maryland Health Care Commission and the  
7 public; establishing a public interest review process for material change  
8 transactions, including criteria for determining whether a material change  
9 transaction is subject to a public interest review; requiring the Executive Director of  
10 the Commission to take certain actions regarding the approval or denial of certain  
11 material change transactions within a certain time period; and generally relating to  
12 material change transactions of health care entities.

13 BY repealing and reenacting, without amendments,  
14 Article – Health – General  
15 Section 19–101 and 19–120(a)(1), (h)(1), (j)(1), and (k)(1)  
16 Annotated Code of Maryland  
17 (2023 Replacement Volume and 2025 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – Health – General  
20 Section 19–114 and 19–120(a)(2), (h)(2)(iii), (j)(2), and (k)(6)(v)  
21 Annotated Code of Maryland  
22 (2023 Replacement Volume and 2025 Supplement)

23 BY adding to  
24 Article – Health – General  
25 Section 19–120.3  
26 Annotated Code of Maryland  
27 (2023 Replacement Volume and 2025 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

**Article – Health – General**

19–101.

In this subtitle, “Commission” means the Maryland Health Care Commission.

19–114.

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

(a–1) “Acquisition” means:

(1) A transfer of stock or assets that results in a change of the person that controls a health care facility; or

(2) The transfer of more than 25% of stock or ownership interest in a health care facility.

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

(1) Has three or more operating rooms;

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

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

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

**(D) “CONSOLIDATION” MEANS THE CONSOLIDATION OR RELOCATION OF BEDS AND HEALTH CARE SERVICES BETWEEN HEALTH CARE FACILITIES WITHIN THE SAME MERGED ASSET SYSTEM.**

**(E) “EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE COMMISSION.**

**[(d)] (F)** (1) “Health care facility” means:

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

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

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

(iv) An ambulatory surgical facility;

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

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

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

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

(ix) Any other health institution, service, or program for which this Part II of this subtitle requires a certificate of need.

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

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

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

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

2. The facility is located on the campus of the continuing care community; and

3. The number of comprehensive care nursing beds in the community does not exceed:

A. 24 percent of the number of independent living units in a community having less than 300 independent living units; or

B. 20 percent of the number of independent living units in a community having 300 or more independent living units;

(iii) For the purpose of providing an exception to the requirement for a certificate of need under § 19–120 of this subtitle, a facility to provide comprehensive care that:

1. Is owned and operated by the Maryland Department of Veterans and Military Families; and

2. Restricts admissions to individuals who meet the residency requirements established by the Maryland Department of Veterans and Military Families and are:

A. Veterans who were discharged or released from the uniformed services under honorable conditions;

B. Former members of a reserve component, as defined in § 9–901 of the State Government Article; or

C. Nonveteran spouses of eligible veterans;

(iv) Except for a facility to provide kidney transplant services or programs, a kidney disease treatment facility, as defined by rule or regulation of the United States Department of Health and Human Services;

(v) Except for kidney transplant services or programs, the kidney disease treatment stations and services provided by or on behalf of a hospital or related institution; or

(vi) The office of one or more individuals licensed to practice dentistry under Title 4 of the Health Occupations Article, for the purposes of practicing dentistry.

**[(e)] (G)** “Health care practitioner” means any individual who is licensed, certified, or otherwise authorized under the Health Occupations Article to provide health care services.

**[(f)] (H)** “Health service area” means an area of this State that the Governor designates as appropriate for planning and developing of health services.

**[(g)] (I)** “Local health planning agency” means the health department of a jurisdiction or a body designated by the local health department to perform health planning functions.

**[(h)] (J)** “State health plan” means the State health plan for facilities and services.

1 19–120.

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

3 (2) “Consolidation” [and “merger” include] **INCLUDES** increases and  
4 decreases in bed capacity or services among the components of an organization that:

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

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

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

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

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

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

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

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

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

23 D. Is in the public interest; and

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

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

28 (i) Is offered:

29 1. By a health care facility;

30 2. In space that is leased from a health care facility; or

3. In space that is on land leased from a health care facility;

or

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

3 III. The conversion of a hospital to a limited service hospital;  
4 or

5 IV. The conversion of a licensed general hospital to a  
6 freestanding medical facility in accordance with subsection (o)(3) of this section;

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

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

11 D. Is in the public interest; and

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

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

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

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

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

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

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

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

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

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

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

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

13                  (6)    This subsection does not apply to:

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 facility  
16 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   **19-120.3.**

29           (A)   (1)    **IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
30 **INDICATED.**

31                       (2)    **“HEALTH CARE ENTITY” MEANS:**



(I) A HEALTH CARE FACILITY;

(II) AN AMBULATORY SURGICAL FACILITY, AS DEFINED IN § 19-3B-01 OF THIS TITLE; AND

(III) A PROVIDER ORGANIZATION.

(3) (I) "HEALTH CARE FACILITY" MEANS:

1. A HOSPITAL, AS DEFINED IN § 19-301 OF THIS TITLE;

2. A LIMITED SERVICE HOSPITAL, AS DEFINED IN § 19-301 OF THIS TITLE;

3. A RELATED INSTITUTION, AS DEFINED IN § 19-301 OF THIS TITLE;

4. AN AMBULATORY SURGICAL FACILITY;

5. AN INPATIENT FACILITY THAT IS ORGANIZED PRIMARILY TO HELP IN THE REHABILITATION OF DISABLED INDIVIDUALS, THROUGH AN INTEGRATED PROGRAM OF MEDICAL AND OTHER SERVICES PROVIDED UNDER COMPETENT PROFESSIONAL SUPERVISION;

6. A HOME HEALTH AGENCY, AS DEFINED IN § 19-401 OF THIS TITLE;

7. A HOSPICE, AS DEFINED IN § 19-901 OF THIS TITLE;

8. A FREESTANDING MEDICAL FACILITY, AS DEFINED IN § 19-3A-01 OF THIS TITLE; AND

9. ANY OTHER HEALTH INSTITUTION, SERVICE, OR PROGRAM FOR WHICH THIS PART II OF THIS SUBTITLE REQUIRES A CERTIFICATE OF NEED.

(II) "HEALTH CARE FACILITY" DOES NOT INCLUDE:

1. AN ACUTE GENERAL HOSPITAL;

2. A HOSPITAL OR RELATED INSTITUTION THAT IS OPERATED, OR IS LISTED AND CERTIFIED, BY THE FIRST CHURCH OF CHRIST SCIENTIST, BOSTON, MASSACHUSETTS;

1                   3.     EXCEPT FOR A FACILITY TO PROVIDE KIDNEY  
2 TRANSPLANT SERVICES OR PROGRAMS, A KIDNEY DISEASE TREATMENT FACILITY,  
3 AS DEFINED BY RULE OR REGULATION OF THE UNITED STATES DEPARTMENT OF  
4 HEALTH AND HUMAN SERVICES;

5                   4.     EXCEPT FOR KIDNEY TRANSPLANT SERVICES OR  
6 PROGRAMS, THE KIDNEY DISEASE TREATMENT STATIONS AND SERVICES PROVIDED  
7 BY OR ON BEHALF OF A HOSPITAL OR RELATED INSTITUTION; OR

8                   5.     THE OFFICE OF ONE OR MORE INDIVIDUALS  
9 LICENSED TO PRACTICE DENTISTRY UNDER TITLE 4 OF THE HEALTH OCCUPATIONS  
10 ARTICLE, FOR THE PURPOSES OF PRACTICING DENTISTRY.

11               (4)     “MARKET POWER” MEANS POSSESSING 30% OR MORE MARKET  
12 SHARE IN ANY LINE OF SERVICE IN THE RELEVANT GEOGRAPHIC AREA OR UNDER  
13 OTHER CRITERIA THAT THE COMMISSION MAY DEFINE BY REGULATION.

14               (5)     (I)   “MATERIAL CHANGE TRANSACTION” MEANS ANY OF THE  
15 FOLLOWING EVENTS OCCURRING DURING A SINGLE TRANSACTION OR IN A SERIES  
16 OF RELATED TRANSACTIONS WITHIN A CONSECUTIVE 5-YEAR PERIOD INVOLVING A  
17 HEALTH CARE ENTITY THAT HAS TOTAL ASSETS, ANNUAL REVENUES, OR  
18 ANTICIPATED ANNUAL REVENUES IF THE RESULT OF THE TRANSACTION IS A NEW  
19 HEALTH CARE ENTITY, OF AT LEAST \$10,000,000, INCLUDING BOTH IN-STATE AND  
20 OUT-OF-STATE ASSETS AND REVENUES:

21                   1.     A MERGER INCLUDING ONE OR MORE HEALTH CARE  
22 ENTITIES;

23                   2.     AN ACQUISITION OF A HEALTH CARE ENTITY;

24                   3.     ANY AFFILIATION, ARRANGEMENT, OR CONTRACT  
25 THAT RESULTS IN A CHANGE OF CONTROL OVER A HEALTH CARE ENTITY;

26                   4.     THE FORMATION OF A PARTNERSHIP, JOINT  
27 VENTURE, PARENT ORGANIZATION, OR MANAGEMENT SERVICES ORGANIZATION  
28 FOR THE PURPOSE OF ADMINISTERING CONTRACTS WITH CARRIERS, THIRD-PARTY  
29 ADMINISTRATORS, PHARMACY BENEFITS MANAGERS, OR PROVIDERS;

30                   5.     A SALE, PURCHASE, LEASE, AFFILIATION, OR  
31 TRANSFER OF CONTROL OF A BOARD OF DIRECTORS OR GOVERNING BODY OF A  
32 HEALTH CARE ENTITY; OR

1                               **6. A REAL ESTATE SALE OR LEASE AGREEMENT**  
2 **INVOLVING A MATERIAL AMOUNT OF ASSETS OF A HEALTH CARE ENTITY.**

3                               **(II) “MATERIAL CHANGE TRANSACTION” DOES NOT INCLUDE:**

4                               1.     **AN ACQUISITION OF A NURSING HOME;**

5                               2.     **A CLINICAL AFFILIATION OF HEALTH CARE ENTITIES**  
6 **FORMED SOLELY FOR THE PURPOSE OF COLLABORATING ON CLINICAL TRIALS;**

7                               3.     **GRADUATE MEDICAL EDUCATION PROGRAMS;**

8                               4.     **THE MERE OFFER OF EMPLOYMENT TO, OR HIRING**  
9 **OF, A SINGLE PHYSICIAN; OR**

10                              5.     **INSTANCES IN WHICH THE HEALTH CARE ENTITY**  
11 **DIRECTLY, OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, ALREADY**  
12 **CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH, ALL OTHER**  
13 **PARTIES TO THE TRANSACTION, SUCH AS A CORPORATE RESTRUCTURING.**

14                              **(6) (I) “PROVIDER ORGANIZATION” MEANS A PERSON THAT IS IN**  
15 **THE BUSINESS OF HEALTH CARE DELIVERY OR MANAGEMENT, WHETHER**  
16 **INCORPORATED OR NOT, THAT REPRESENTS ONE OR MORE HEALTH CARE**  
17 **PRACTITIONERS IN CONTRACTING WITH PAYORS FOR THE PAYMENTS OF HEALTH**  
18 **CARE SERVICES.**

19                              **(II) “PROVIDER ORGANIZATION” INCLUDES:**

20                              1.     **A PHYSICIAN ORGANIZATION;**

21                              2.     **A MEDICAL GROUP PRACTICE;**

22                              3.     **AN INDEPENDENT PRACTICE ASSOCIATION;**

23                              4.     **A PROVIDER NETWORK;**

24                              5.     **A MANAGEMENT SERVICES ORGANIZATION; AND**

25                              6.     **ANY OTHER ORGANIZATION THAT CONTRACTS WITH**  
26 **PAYORS FOR PAYMENT FOR HEALTH CARE SERVICES.**

1       **(B) THIS SECTION DOES NOT APPLY IF THE MATERIAL CHANGE**  
2 **TRANSACTION INVOLVES CHANGES THAT WOULD REQUIRE A CERTIFICATE OF NEED**  
3 **OR OTHER COMMISSION APPROVAL UNDER § 19–120 OF THIS SUBTITLE.**

4       **(C) THIS SECTION MAY NOT BE CONSTRUED TO:**

5               **(1) IMPAIR, MODIFY, LIMIT, OR SUPERSEDE THE APPLICABILITY OF**  
6 **ANY OTHER LICENSE OR APPROVAL REQUIRED UNDER LAW; OR**

7               **(2) LIMIT THE AUTHORITY OF THE ATTORNEY GENERAL TO PROTECT**  
8 **THE HEALTH CARE MARKET OR CONSUMERS UNDER ANY OTHER LAW.**

9       **(D) (1) AT LEAST 90 DAYS BEFORE COMPLETING A MATERIAL CHANGE**  
10 **TRANSACTION, A HEALTH CARE ENTITY SHALL PROVIDE NOTICE OF THE MATERIAL**  
11 **CHANGE TRANSACTION IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE**  
12 **COMMISSION TO:**

13                       **(I) THE COMMISSION; AND**

14                       **(II) THE PUBLIC.**

15               **(2) THE NOTICES REQUIRED UNDER THIS SUBSECTION ARE**  
16 **COMPLETE WHEN THE EXECUTIVE DIRECTOR DETERMINES THAT ALL REQUIRED**  
17 **INFORMATION HAS BEEN DISCLOSED BY THE HEALTH CARE ENTITY.**

18       **(E) WITHIN 10 DAYS AFTER RECEIVING COMPLETE NOTICE OF A MATERIAL**  
19 **CHANGE TRANSACTION UNDER SUBSECTION (D) OF THIS SECTION, THE**  
20 **COMMISSION SHALL POST ON A PUBLICLY AVAILABLE WEBSITE INFORMATION**  
21 **ABOUT THE MATERIAL CHANGE TRANSACTION, INCLUDING:**

22               **(1) THE IDENTITY OF THE PARTIES TO THE MATERIAL CHANGE**  
23 **TRANSACTION;**

24               **(2) A SUMMARY OF THE PROPOSED MATERIAL CHANGE**  
25 **TRANSACTION;**

26               **(3) AN EXPLANATION OF THE GROUPS OR INDIVIDUALS LIKELY TO BE**  
27 **IMPACTED BY THE MATERIAL CHANGE TRANSACTION;**

28               **(4) INFORMATION ABOUT:**

29                       **(I) SERVICES CURRENTLY PROVIDED BY THE HEALTH CARE**  
30 **ENTITY;**

1                   (II)    COMMITMENTS BY THE HEALTH CARE ENTITY TO CONTINUE  
2 THE SERVICES; AND

3                   (III) ANY SERVICES THAT WILL BE REDUCED OR ELIMINATED;  
4 AND

5                   (5)    ANY OTHER INFORMATION FROM THE NOTICE AND OTHER  
6 MATERIALS SUBMITTED BY THE HEALTH CARE ENTITY THAT THE COMMISSION  
7 DETERMINES WOULD BE IN THE PUBLIC INTEREST.

8           (F)    WITHIN 30 DAYS AFTER RECEIVING A COMPLETE NOTICE OF A  
9 MATERIAL CHANGE TRANSACTION UNDER SUBSECTION (D) OF THIS SECTION, THE  
10 EXECUTIVE DIRECTOR SHALL:

11                   (1)   NOTIFY THE HEALTH CARE ENTITY THAT THE MATERIAL CHANGE  
12 TRANSACTION IS NOT SUBJECT TO A PUBLIC INTEREST REVIEW; OR

13                   (2)   NOTIFY THE HEALTH CARE ENTITY THAT THE MATERIAL CHANGE  
14 TRANSACTION IS SUBJECT TO A PUBLIC INTEREST REVIEW AND REQUEST  
15 ADDITIONAL INFORMATION NECESSARY FOR THE REVIEW.

16           (G)    IN DETERMINING WHETHER TO CONDUCT A PUBLIC INTEREST REVIEW  
17 OF A MATERIAL CHANGE TRANSACTION, THE EXECUTIVE DIRECTOR SHALL  
18 CONSIDER WHETHER:

19                   (1)   THE MATERIAL CHANGE TRANSACTION WILL RESULT IN THE  
20 TRANSFER OF ASSETS THAT EXCEEDS THE THRESHOLD ESTABLISHED BY THE  
21 COMMISSION IN REGULATIONS;

22                   (2)   THE MATERIAL CHANGE TRANSACTION WILL OCCUR IN A  
23 CONSOLIDATED MARKET FOR A LINE OF SERVICES OFFERED BY A PARTY TO THE  
24 MATERIAL CHANGE TRANSACTION;

25                   (3)   THE MATERIAL CHANGE TRANSACTION WILL CAUSE A CHANGE IN  
26 MARKET SHARE, SUCH THAT ANY RESULTING HEALTH CARE ENTITY WILL POSSESS  
27 MARKET POWER ON COMPLETION OF THE MATERIAL CHANGE TRANSACTION;

28                   (4)   THE MATERIAL CHANGE TRANSACTION WILL OTHERWISE LESSEN  
29 COMPETITION, INCLUDING THROUGH THE EFFECTS OF VERTICAL OR  
30 CROSS-MARKET TRANSACTIONS AMONG DIFFERENT PRODUCT OR GEOGRAPHIC  
31 MARKETS;

1           **(5) A PARTY TO THE MATERIAL CHANGE TRANSACTION POSSESSES**  
2 **MARKET POWER PRIOR TO THE MATERIAL CHANGE TRANSACTION; AND**

3           **(6) THE MATERIAL CHANGE TRANSACTION IS LIKELY TO HAVE A**  
4 **NEGATIVE IMPACT ON THE COST, QUALITY, EQUITY, OR ACCESS TO HEALTH CARE**  
5 **SERVICES IN ANY REGION IN THE STATE.**

6           **(H) (1) IF THE EXECUTIVE DIRECTOR DETERMINES THAT A MATERIAL**  
7 **CHANGE TRANSACTION IS SUBJECT TO PUBLIC INTEREST REVIEW, THE EXECUTIVE**  
8 **DIRECTOR SHALL ASSESS THE POTENTIAL IMPACT OF THE MATERIAL CHANGE**  
9 **TRANSACTION ON THE PUBLIC INTEREST.**

10           **(2) WITHIN 60 DAYS AFTER PROVIDING NOTICE THAT A PUBLIC**  
11 **INTEREST REVIEW WILL BE CONDUCTED AND RECEIPT OF COMPLETE**  
12 **INFORMATION, THE EXECUTIVE DIRECTOR SHALL:**

13                   **(I) APPROVE THE MATERIAL CHANGE TRANSACTION;**

14                   **(II) APPROVE THE MATERIAL CHANGE TRANSACTION WITH**  
15 **CONDITIONS; OR**

16                   **(III) DENY THE MATERIAL CHANGE TRANSACTION.**

17           **(3) IN CONDUCTING A PUBLIC INTEREST REVIEW UNDER THIS**  
18 **SUBSECTION, THE EXECUTIVE DIRECTOR MAY:**

19                   **(I) CONSULT WITH ANY OTHER FEDERAL, STATE, OR LOCAL**  
20 **GOVERNMENTAL ENTITY;**

21                   **(II) SOLICIT AND CONSIDER COMMENTS BY EMPLOYEES OF THE**  
22 **HEALTH CARE ENTITY OR OTHER PARTIES TO THE MATERIAL CHANGE**  
23 **TRANSACTION;**

24                   **(III) CONSIDER COMMENTS SUBMITTED BY THE PUBLIC; AND**

25                   **(IV) CONTRACT WITH EXPERTS OR CONSULTANTS**  
26 **INDEPENDENT OF THE COMMISSION AS NECESSARY TO ASSIST THE EXECUTIVE**  
27 **DIRECTOR IN CONDUCTING THE ANALYSIS OF A PROPOSED MATERIAL CHANGE**  
28 **TRANSACTION.**

29           **(4) IF THE EXECUTIVE DIRECTOR CONTRACTS WITH EXPERTS OR**  
30 **CONSULTANTS UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE COST OF THE**

1 CONTRACT SHALL BE PAID BY THE PARTIES TO THE MATERIAL CHANGE  
2 TRANSACTION.

3 (I) (1) IF THE EXECUTIVE DIRECTOR DENIES OR IMPOSES A CONDITION  
4 ON A MATERIAL CHANGE TRANSACTION, A PERSON THAT IS A PARTY TO THE  
5 TRANSACTION MAY SUBMIT A WRITTEN REQUEST FOR THE COMMISSION TO REVIEW  
6 THE DECISION IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE COMMISSION.

7 (2) A DECISION OF THE COMMISSION UNDER PARAGRAPH (1) OF THIS  
8 SUBSECTION SHALL BE A FINAL DECISION FOR THE PURPOSE OF JUDICIAL REVIEW.

9 (3) A PERSON THAT IS A PARTY TO THE MATERIAL CHANGE  
10 TRANSACTION MAY SEEK JUDICIAL REVIEW IN THE CIRCUIT COURT IN THE COUNTY  
11 WHERE A PARTY TO THE MATERIAL CHANGE TRANSACTION RESIDES OR HAS A  
12 PRINCIPAL PLACE OF BUSINESS.

13 (4) A PETITION FOR JUDICIAL REVIEW SHALL BE FILED WITHIN 30  
14 DAYS AFTER THE COMMISSION MAKES THE FINAL DECISION.

15 (J) THE COMMISSION SHALL MONITOR COMPLIANCE WITH ANY  
16 CONDITIONS PLACED ON A MATERIAL CHANGE TRANSACTION AFTER THE CLOSING  
17 OF THE TRANSACTION.

18 (K) (1) A PARTY TO A MATERIAL CHANGE TRANSACTION SHALL TIMELY  
19 PROVIDE ANY INFORMATION AND ACCESS TO RECORDS AND FACILITIES THAT IS  
20 NEEDED BY THE COMMISSION TO PERFORM ITS DUTIES UNDER THIS SECTION.

21 (2) THE COMMISSION SHALL SET REASONABLE DEADLINES WHEN  
22 REQUESTING INFORMATION OR ACCESS TO RECORDS OR FACILITIES.

23 (L) (1) THE COMMISSION MAY REPORT STATISTICAL OR OTHER  
24 INFORMATION THAT IT COLLECTS UNDER THIS SECTION THAT IS NOT PROHIBITED  
25 FROM DISCLOSURE UNDER OTHER LAW.

26 (2) THE FOLLOWING INFORMATION IS PRESUMED NOT TO BE  
27 CONFIDENTIAL:

28 (I) THE PARTIES TO A MATERIAL CHANGE TRANSACTION;

29 (II) THE IDENTITY OF ANY PERSON WITH AT LEAST A 5%  
30 OWNERSHIP INTEREST IN A PARTY TO A MATERIAL CHANGE TRANSACTION;

1 (III) THE ANNUAL REVENUE AND VALUE OF ASSETS OF A PARTY  
2 TO A MATERIAL CHANGE TRANSACTION;

3 (IV) THE MONETARY VALUE OF THE MATERIAL CHANGE  
4 TRANSACTION;

5 (V) WHETHER THE MATERIAL CHANGE TRANSACTION IS  
6 SUBJECT TO PUBLIC INTEREST REVIEW;

7 (VI) WHETHER THE EXECUTIVE DIRECTOR APPROVED,  
8 APPROVED WITH CONDITIONS, OR DENIED THE MATERIAL CHANGE TRANSACTION;  
9 AND

10 (VII) ANY CONDITIONS IMPOSED ON A MATERIAL CHANGE  
11 TRANSACTION AND A PARTY'S COMPLIANCE WITH THE CONDITIONS.

12 (3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (I) OF THIS  
13 PARAGRAPH, IN ACCORDANCE WITH TITLE 4 OF THE GENERAL PROVISIONS  
14 ARTICLE, THE COMMISSION MAY NOT DISCLOSE CONFIDENTIAL COMMERCIAL OR  
15 FINANCIAL INFORMATION OR TRADE SECRETS WITHOUT THE CONSENT OF THE  
16 PARTY THAT PRODUCED THE CONFIDENTIAL INFORMATION.

17 (II) THE EXECUTIVE DIRECTOR MAY DISCLOSE INFORMATION  
18 TO ANOTHER STATE AGENCY OR AN EXPERT OR CONSULTANT UNDER CONTRACT  
19 WITH THE COMMISSION IF THE EXPERT, CONSULTANT, OR STATE AGENCY IS BOUND  
20 BY THE SAME CONFIDENTIALITY REQUIREMENTS AS THE COMMISSION.

21 (M) IN ADDITION TO ANY OTHER PENALTY IMPOSED BY LAW, THE  
22 COMMISSION MAY:

23 (1) IMPOSE A CIVIL PENALTY FOR A VIOLATION OF THIS SECTION  
24 THAT MAY NOT EXCEED 1% OF THE VALUE OF THE MATERIAL CHANGE  
25 TRANSACTION;

26 (2) ISSUE AN ADMINISTRATIVE ORDER THAT REQUIRES THE HEALTH  
27 CARE ENTITY TO COMPLY WITH THIS SECTION; OR

28 (3) APPLY TO THE CIRCUIT COURT IN THE JURISDICTION IN WHICH  
29 THE HEALTH CARE ENTITY IS LOCATED OR, IF THE HEALTH CARE ENTITY IS  
30 OUT-OF-STATE, THE JURISDICTION IN WHICH THE COMMISSION IS LOCATED FOR  
31 LEGAL RELIEF CONSIDERED APPROPRIATE BY THE COMMISSION.



1           (N)   (1)   THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT  
2 THIS SECTION.

3                   (2)   THE REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL:

4                           (I)   INCLUDE CRITERIA FOR AN EXPEDITED REVIEW OF A  
5 MATERIAL CHANGE TRANSACTION IF THERE IS AN EMERGENCY AND THE  
6 TRANSACTION IS NEEDED TO ENSURE CONTINUITY OF CARE;

7                           (II)   DEFINE PUBLIC INTEREST TO INCLUDE CONSIDERATION  
8 OF:

9                                   1.    QUALITY;

10                                   2.   PRICE;

11                                   3.   HEALTH CARE SERVICE LINE;

12                                   4.   CONTINUITY OF CARE;

13                                   5.   ACCESS;

14                                   6.   STAFFING;

15                                   7.   EQUITY; AND

16                                   8.   FINANCIAL STATUS OF THE PARTIES TO THE  
17 TRANSACTION; AND

18                           (III)   DESCRIBE THE CONTENTS AND THE FORM AND MANNER OF  
19 DELIVERY OF THE NOTICE REQUIRED BY SUBSECTION (D) OF THIS SECTION TO THE  
20 COMMISSION AND THE PUBLIC.

21                   (3)   THE COMMISSION MAY ADOPT REGULATIONS ESTABLISHING AN  
22 APPROPRIATE FEE TO BE PAID BY A PARTY TO A MATERIAL CHANGE TRANSACTION,  
23 PROPORTIONATE TO THE SIZE OF THE PARTIES TO THE MATERIAL CHANGE  
24 TRANSACTION, SUFFICIENT TO REIMBURSE THE COSTS OF ADMINISTERING THIS  
25 SECTION.

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