

## Chapter 69

**(House Bill 498)**

AN ACT concerning

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

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

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

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

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

**Article – Health – General**

19–120.

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Is in the public interest; and

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

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

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

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

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

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

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

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

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

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

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

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

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

**Approved by the Governor, April 14, 2026.**