

ANTONIO HAYES
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Baltimore City

Finance Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony of Senator Hayes in Support of Senate Bill 938: Hospitals - Changes in Status -
Hospital Employee Retraining and Placement**

March 5, 2020

Dear Chairwoman Kelley and Members of the Finance Committee,

Within these past few years, we have seen a nationwide trend of hospitals downsizing in efforts to reduce cost and to evaluate the effectiveness and efficiency of various functions and processes. Laurel Regional Hospital (Prince George's County) is a prime example, downsizing into a walk-in outpatient medical center, laying off hundreds of loyal employees with sometimes numerous years of service. The downsizing leaves them without work and too often without the necessary resources to find employment elsewhere.

Senate Bill 938 seeks to find a way in making sure those who worked for hospitals looking to downsize, are covered and can continue to prosper. In doing so, this bill will first define the specific terms of *downsizing*- to reduce the number of full-time equivalent employees of an acute care hospital location site by at least seventeen (17) in any consecutive three-month period. This legislation also alters hospital reporting language to require an annual report of the number and categories of employees displaced due to layoffs and to whom funding was provided for retraining purposes.

If a hospital falls under one of these definitions, then the hospital will pay a fee, equaling to 0.006 percent of the hospital's total annual revenue approved by the Health Services Cost Review Commission the immediately preceding year. The funds will go to the Maryland Department of Labor and then moved onto the Hospital Employees Retraining Fund. These monies will be used to fund 3 programs: EARN Maryland, Maryland Business Works, and Maryland Apprenticeship and Training Program (MATP) for employees to benefit from. If this fund balance is depleted, the Commission shall require each hospital to pay additional fees to meet the needs related to the closings, mergings, and delicensures of hospitals. Any unexpected funds remaining in the Retraining Fund at the end of the fiscal year will be returned to contributing hospitals.

Throughout the past few months prior to the hearing of this bill, there were numerous meetings held with those in favor and against this bill to try to ensure a general consensus was reached. Amendments have been made to reflect these.

And for those reasons, I urge a favorable report on SB938.

Respectfully,

A handwritten signature in black ink, appearing to read "A. L. Hayes", written in a cursive style.

Senator Antonio L. Hayes
Chair, Baltimore City Senate Delegation
40th Legislative District - MD