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March 2, 2020

The Honorable Shane E. Pendergrass
Chair, Health and Government Operations Committee
Room 241, House Office Building
Annapolis, MD 21401

RE: HB 926 – Hospitals and Freestanding Medical Facilities – Closing or Partial Closing – Public Notice – Letter of INFORMATION

Dear Chair Pendergrass:

The Maryland Health Care Commission (Commission) would like to provide the Health and Government Operations Committee with information related to House Bill 926 (HB 926). HB 926 seeks to add statutory requirements for public notice when hospitals close or partially close. The notice requirements in the introduced bill draft are detailed and specific. The Commission strongly supports processes that ensure that members of the public and elected officials are fully informed when health facilities propose significant changes to the delivery of health care services in their communities and regions.

The Commission's current regulations do not require a Certificate of Need (CON) for the closure of a hospital if the hospital provides notice to the Commission at least 90 days before the closing. Similarly, a CON is not required for partial closure of a hospital with 45 days notice to the Commission.

The Commission's regulations already contain public notice provisions for hospital closures. The Commission's regulations require that the Commission publish notice in at least one newspaper of daily circulation in the affected area and the next available issue of the Maryland Register of its receipt of the notice from the facility of the proposed closure or partial closure. The Commission must provide this public notice within five days of receiving the notice from the facility. The Commission must mail the same notice to elected public officials in the district or county where the hospital is located.

Note: The Maryland Health Care Commission is an independent State agency, and the position of the Commission may differ from the position of the Maryland Department of Health.

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For hospitals in jurisdictions with fewer than three hospitals, the hospital is also required to hold a public information hearing before the closing or partial closing. Before the public information hearing, the hospital must provide public notice of the proposed closure or partial closure, including publication in at least one newspaper of daily circulation in the affected area. This notice must include the time and location of the required public informational hearing.

A public information hearing is required for hospitals that are converting to a freestanding medical facility (FMF). Five Maryland hospitals have converted or are proposing to convert to a FMF. The hospitals are required to provide a record of the public information hearing within 14 days elected leadership in the jurisdiction, to statewide officials including the Governor, and to the Commission. The Commission attended the four public information hearings that have been held to date for hospitals converting to FMFs. The fifth hospital, Bon Secours only recently announced its plans to convert to a FMF and this exemption request is not ripe for a public information hearing. The Commission will attend that hearing when it occurs and ensure that a record of the hearing is provided to the Commission and elected leadership.

The Commission believes that, if any additional public notice requirements are needed, those changes could be accomplished through regulation, with few, if any, changes to the statute. If statutory changes are considered, it is important to note that there are differences between closures that are related to hospital conversions to freestanding medical facilities, hospital closures with no conversion, and partial closures with respect to time frames and impact on the community. The Commission urges the Committee to take these differences into consideration in considering this bill.

I hope the Committee finds this information useful. Please feel free to contact me at (410) 764-3566 or Ben.Steffen@maryland.gov, or Megan Renfrew, Government Affairs and Special Projects, at Megan.Renfrew@maryland.gov or (410) 764-3483 if you have any questions.

Sincerely,



Ben Steffen,
Executive Director
Maryland Health Care Commission

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