



Maryland
Hospital Association

House Bill 735 - Certificate of Need - Psychiatric Health Care Facilities and Psychiatric and Mental Health Services - Exemption

Position: *Oppose*

February 26, 2025

House Health & Government Operations Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in opposition of House Bill 735.

Expanding capacity for care is not a straightforward issue. The Certificate of Need (CON) program, under the Maryland Health Care Commission (MHCC) is a safeguard to ensure that any new facilities in the state are only added if needed and that they meet standards for care quality, geographic and financial accessibility, cost-effectiveness, and viability. A complete exemption of psychiatric facilities from the process may lead to an influx of low-quality or duplicative services, without addressing factors such as the necessary staff and specialization. As such, while well intentioned, HB 735 will not address the root causes for the lack of access to psychiatric treatment in the state and may result in unintended consequences.

Hospitals are seeing more higher need patients. Data reveals that when behavioral health patients seek care in emergency departments, they are sicker and may require more intense intervention. These patients are likely to have more severe or long-term mental illness, multiple chronic conditions, higher rates of medical comorbidities than the general population, and are often of a more vulnerable age (older adults or pediatric patients).

Additionally, many of these high-need patients require specialized beds, staffing, or services, which raises treatment complexity and resource-intensiveness. For instance, markedly aggressive patients are placed in separate units or in private rooms with one-on-one staffing. To accommodate such patients, facilities with predominantly dual-occupancy rooms might need to take one of the beds in a room offline. The state is also experiencing historic workforce shortages, particularly among [behavioral health practitioners](#). There is a need for approximately 32,000 more behavioral health practitioners in the state to meet current and future demand. Both these factors limit the number of appropriately staffed beds available in hospitals.

The situation gets even more challenging outside of hospitals. Most freestanding, community-based facilities have more restrictive admission criteria than psychiatric units that are part of an acute care hospital. Referring organizations, such as skilled nursing and assisted living facilities, do not want to readmit patients who require a high level of care and supervision. In some cases, discharge locations such as group homes have beds available but do not have the available or appropriate staff to accommodate admissions.

It is for these reasons that we believe this bill will not address many of the challenges behavioral health care is facing in the state; instead, it may lead to an influx of facilities that don't meet the standards set by the state or needs of the community, potentially worsening the behavioral health crises. Therefore, we request an unfavorable report on HB 735.

For more information, please contact:

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