

## Chapter 448

**(House Bill 1282)**

AN ACT concerning

**Health Maintenance Organizations – Certificate of Need Requirements –  
Modification**

FOR the purpose of repealing a certain requirement that a health maintenance organization or a certain health care facility have a certificate of need before taking certain actions to establish a certain ambulatory surgical facility or center; altering the conditions under which a health maintenance organization or a certain health care facility is required to have a certificate of need before taking certain actions to establish a certain health care project; authorizing a health maintenance organization or a health care facility to purchase a certain ambulatory surgical facility or center without a certificate of need under certain circumstances; and generally relating to certificates of need requirements for health maintenance organizations.

BY repealing and reenacting, with amendments,  
 Article – Health – General  
 Section 19–121  
 Annotated Code of Maryland  
 (2015 Replacement Volume and 2017 Supplement)

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

**Article – Health – General**

19–121.

(a) In this section, “health maintenance organization” means a health maintenance organization under Subtitle 7 of this title.

(b) (1) A health maintenance organization or a health care facility that either controls, directly or indirectly, or is controlled by a health maintenance organization shall have a certificate of need before the health maintenance organization or health care facility builds, develops, operates, purchases, or participates in building, developing, operating, or establishing:

(i) A hospital, as defined in § 19–301 of this title[, or an ambulatory surgical facility or center, as defined in § 19–114(b) of this subtitle]; and

(ii) Any other health care project for which a certificate of need is required under § 19–120 of this subtitle [if that health care project is planned for or used by any nonsubscribers of that health maintenance organization] **UNLESS AT LEAST 90% OF THE PATIENTS WHO ~~CAN REASONABLY BE EXPECTED TO~~ WILL RECEIVE HEALTH CARE SERVICES FROM THE PROJECT WILL BE INDIVIDUALS ENROLLED IN THAT HEALTH MAINTENANCE ORGANIZATION.**

(2) Notwithstanding paragraph [(1)(i)] **(1)(II)** of this subsection, a health maintenance organization or a health care facility that either controls, directly or indirectly, or is controlled by a health maintenance organization is not required to obtain a certificate of need before purchasing an existing ambulatory surgical facility or center, as defined in § 19–114(b) of this subtitle.

(c) An application for a certificate of need by a health maintenance organization or by a health care facility that either controls, directly or indirectly, or is controlled by, a health maintenance organization shall be approved if the Commission finds that the application:

(1) Documents that the project is necessary to meet the needs of enrolled members and reasonably anticipated new members for the services proposed to be provided by the applicant; and

(2) Is not inconsistent with those sections of the State health plan or those sections of the institution–specific plan that govern hospitals, as defined in § 19–301 of this title, and ambulatory surgical facilities or centers, as defined in § 19–114(b) of this subtitle, or health care projects for which a certificate of need is required under subsection (b)(1)(ii) of this section.

**SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect October 1, 2018.

**Approved by the Governor, May 8, 2018.**